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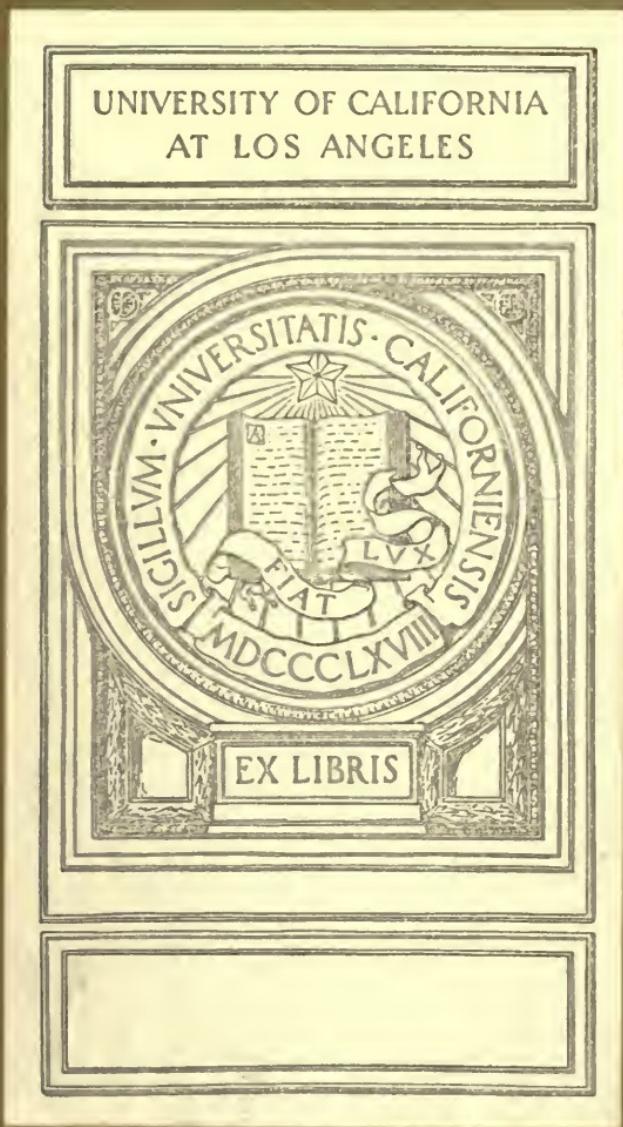
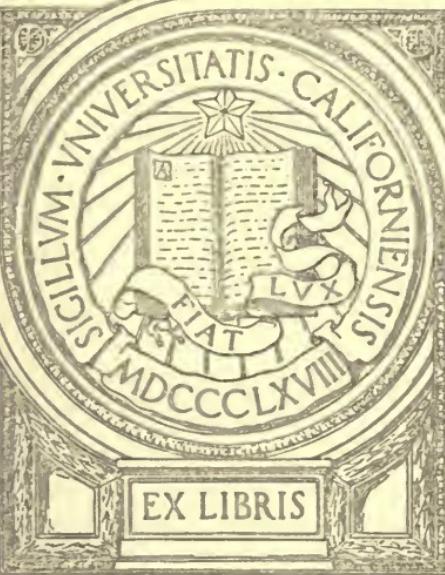


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PACKARD — HOW TO MAKE A LIVING

UNIVERSITY OF CALIFORNIA
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How to Make a Living.

KEY.

B. O. BAKER
LAWYER
DALLAS, TEXAS

How to Make a Living.

Arranged for Class Dictation.

S. S. PACKARD, PUBLISHER,
NEW YORK.

The little book, written by George Cary Eggleston and published by G. P. Putnam's Sons, by whose kind permission we were able to publish it in Munson Phonography two years ago, was chosen for the good advice to young people it contains, for the great number of commercial terms used, and because it seemed to be the best exercise in ordinary English that could be found at the time. A student mastering it thoroughly will have acquired a very useful vocabulary and have laid a good foundation for more advanced study. It is intended to follow the Lessons in Munson Phonography as class work. The Key is now offered to the teachers of the Munson system, and to self-teaching students, arranged in such a way as to be useful in testing speed and regulating the rate, so that it may not be spasmodic, as is often the case in dictation. The number of words is marked in an original and it is believed more practical way, than has before been devised.

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S. S. PACKARD

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“HOW TO MAKE A LIVING.”

CHAPTER I.

THE VALUE OF MONEY.

1. Every bookkeeper knows that tyros in his business find nothing
2. so difficult of comprehension as the nature of cash. It
3. is difficult to make the student of accounts understand that
4. cash comes by purchase like any other merchandise—that what
5. money one gets one must pay for, and that there
6. is an exact limit to the value of dollars and
7. cents, which must be kept in mind in purchasing money
8. with other things, just as the value of other things
9. must be kept in mind when they are to be
10. bought with money. With the young bookkeeper the difficulty is

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TUTTLE

1. soon mastered, while the rest of us are apt to
2. blunder on through life with no conception of the real
3. relation of money to other things. We express values in
4. terms of money, and so we come to regard dollars
5. and cents as constituting an invariable standard by which to
6. measure everything else. A unit of measure gets to be,
7. in some sort, an ultimate fact; and we take it
8. as a starting-point. The pound, the foot, the gallon—these
9. we know are fixed measures, and we are apt to
10. place the dollar in precisely the same category of fixed

1. things, assign to it a certain value; and, while we
 2. measure everything else by it, let it go without any
 3. measurement at all. ¶ In point of fact, however, money is
 4. not of fixed and certain worth at all. I speak,
 5. now, not of paper promises to pay, which are always
 6. reducible to their value in gold, but of gold itself.
 7. When the gold dollar will buy two bushels of wheat,
 8. and other things in proportion, it is really and truly
 9. worth just twice as much as it is when it
 10. will buy but one bushel. In other words, its purchasing .
-
1. capacity is the real measure of its value. Now, this
 2. purchasing capacity varies in different countries and at different
 3. in the same country; wherefore, it is evident the real [times
 4. value of money varies at different times and in different
 5. places quite as truly as does the value of any
 6. other article of commerce. And it varies for precisely the
 7. same reason, too. If the cost of production,—that is,
 8. the amount of labor necessary to the production of a
 9. given quantity of gold,—be increased or diminished without a
 10. corresponding increase or diminution in the cost of producing [other
-
1. things, the purchasing power (which is the value) of gold
 2. undergoes a change at once. And if for any reason
 3. the cost of producing other articles of daily use be [cost
 4. enhanced or diminished, without a corresponding change in the
 5. of gold production, there must be a proportionate change in
 6. the value, as there is in the purchasing power of
 7. gold. We cannot always trace these results to their ultimate
 8. causes, for the reason that there may be, and usually
 9. is, a complexity of cause which baffles us, but we
 10. know the fact, nevertheless, that the value of money is

1. measured by its purchasing power,—in other words, that money
2. is worth just what it will buy—no more and
3. no less. All this seems simple enough, and yet it
4. is a fact constantly overlooked, and forgetfulness of it is
5. a fruitful source of error on the part of individuals
6. as well as of communities, and it is necessary for
7. the purposes of this little book that the reader shall
8. impress upon his mind in the outset this truth, that
9. money is an article of varying value, worth what it
10. will buy, and no more. ¶ It seems a sufficiently evident

1. truth that we cannot afford to pay more for any
2. article than it is worth; but how many of us
3. are there who distinctly and constantly recognize the fact that
4. we must pay for what money we get, and that
5. we cannot afford to pay more than it is worth?
6. We constantly forget that we get literally nothing in this
7. life without paying for it in some way. If we
8. read a book for the sake of the information, or
9. the culture, or the amusement it is capable of giving
10. us, we must pay for what we get in a

1. valuable commodity, time. If the time spent in reading be
2. worth less to us than the culture, or the information,
3. or the amusement which the reading brings, we do well
4. to purchase at the price,—to give the thing of*
5. smaller for the thing of greater value. And this is
6. true of everything else. We cannot have money, or friends,
7. or culture, or ease, or comfort, or amusement, or pleasure,
8. or any other desirable thing whatever, without paying, in one
9. way or another, for what we get; and so it
10. becomes our duty in every case to learn accurately the

1. value of the coveted thing, and the price we must
2. pay for its possession. If the price be too high,
3. we should forego the desired good, as one which we
4. cannot afford to buy. If, on the other hand, the
5. thing wanted is to be had at a sufficiently small
6. cost, we do well to buy it. It is not
7. enough that the thing wished for shall be a good
8. and desirable one. It must be better and more desirable
9. than that which we must give in exchange for it,
10. or we cannot afford to purchase it at all. Books

1. are good things, doubtless, and so are pictures and statuary.
2. Comfortable homes are of great worth. Travel is an excellent
3. educator. All these and a hundred other things are desirable,
4. certainly; but they can only be had at a certain
5. cost in time or money, or both, and the question
6. whether or not we should have them depends wholly upon
7. another question, whether or not they are worth to us
8. more than their cost. There is no doubt of their
9. desirability, but it is not every one who can afford
10. them. What is true of all these things is true

1. also, and equally, of money. It is worth something, certainly.
2. It is worth a good deal, too, but it is
3. not worth everything. It is a good thing to have,
4. but it is not the only good, or even the
5. chief good, to be sought in life. Each of us
6. needs it, and some of it we must have, but
7. there is a limit to the amount of it which
8. we can afford to buy, and beyond that limit we
9. may not wisely go. The trouble is, commonly, that we
10. think and talk about *making* money, when in point of

1. fact we do nothing of the kind. Whatever money we
2. get in the world we buy quite as truly and
3. quite as directly as we buy the clothes upon our
4. backs. Every man begins life with certain possessions. These
5. his muscles, his intellect, his skill at work of any [are
6. kind, his education, his health, his energy, his character and
7. whatever property he may happen to have inherited. With these
8. he must buy whatever desirable things he gets in life—
9. books, houses, money, and everything else. If he be a
10. wise man he will take care not to pay more

1. for any of these than he can afford; but few
2. of us, unfortunately, are wise in this regard. Knowing very
3. well that we may live and be comfortable with small
4. possessions, in the way of money and property, nevertheless we
5. overwork ourselves now and then,—paying in precious health a
6. price we cannot afford to pay, for money that we
7. really do not need; or we sacrifice something of character
8. for the sake of increasing our purchases of things which
9. are of infinitely smaller worth; or we starve our intellects
10. that we may buy more wealth, becoming poor that we

1. may seem to be rich. There are a hundred ways
2. in which we are constantly liable to make bad bargains
3. in purchasing wealth, and the very first lesson in economy
4. is this: Be careful that you do not buy money,
5. or its equivalent, at too high a price. There are
6. very few people who do not feel the need of
7. more money and property than they have, and feeling this
8. daily and hourly, it is only natural that we should
9. come to think of money, which is the representative of
10. all property, as of greater worth than it is. We

1. are in constant danger, therefore, of buying it at too
 2. high a price, and from first to last there is
 3. nothing more essential than that we shall avoid this error.
 4. To do this, each of us must determine, from time
 5. to time, how much money he can afford to make.
 6. Beyond the necessity of providing for his own and his
 7. family's absolute wants, the making of money becomes a mere
 8. question of one's ability to buy. "I have not time
 9. to make money," said Agassiz, and with all his ability
 10. to amass a fortune almost without effort he died, owning
-
1. nothing except his library and a mortgaged homestead. The
 2. of money would have been very easy to him. His [making
 3. vast store of knowledge might have been turned into popular
 4. books and lectures, almost without labor, and money would have
 5. flowed into his lap. He had need of money, too,
 6. and could have used it to better advantage than most
 7. men can. But he could not afford to buy it.
 8. The cost he must pay for it was time, and
 9. he felt that to be more precious than anything else.
 10. His hours were worth more than the money they would
-
1. buy, and he, being a wise man, refused to purchase
 2. at a price which he thought too high. Time is
 3. not so valuable to every man as it was to
 4. him, but time is not always the only thing one
 5. must pay, and there are but very few of us
 6. who do not, in one way or another, pay too
 7. high a price for the money we get in the
 8. world,—very few who do not buy more money than
 9. they can afford, and there is no worse extravagance possible
 10. than this. Each of us has certain aspirations in life.

LAWYER
ELIAS, TEXAS

1. There are certain things which each of us would like [sion
2. to accomplish, and for the accomplishment of which the posses-
3. of money is necessary. For the most part, these aspirations
4. are worthy ones, or at least not unworthy. But their
5. accomplishment is not absolutely necessary—if we be rightly
6. people—even to our own happiness, and we must be [constituted
7. careful not to let our zeal for these things mislead
8. us as to their value and the value of the [should
9. money necessary to their accomplishment. But above all we
10. never forget that while money is an excellent means, it

1. never can be a worthy end. It is an excellent
 2. servant, but the worst of all possible masters. It strengthens
 3. our hands for all purposes, but has no value whatever
 4. except in its use. Now we all know precisely what
 5. money will purchase, and so we have an exact measure
 6. of its worth constantly at hand. We know that a
 7. given amount of it will enable us to live in
 8. a certain way, to have certain comforts and luxuries, to
 9. indulge certain tastes, to relieve a certain amount of distress,
 10. to accomplish certain desired ends. Knowing this and knowing
- [precisely]

1. how desirable it is to live in this way, to
2. have these comforts and luxuries, to indulge these tastes and
3. to accomplish these ends, we have only to ascertain precisely
4. how much of economy and of labor, how much of
5. self-sacrifice, how much of the sacrifice of those dependent upon
6. us, we must give,—in short, what price we must
7. pay for these things, to know whether or not we
8. can afford them. If we can accomplish the ends we
9. have set before us at reasonable cost, we should do
10. so by all means. If we cannot, then we have

1. no right to accomplish them at all. We are in
 2. that case, precisely in the predicament of a man who
 3. wishes to live in a costly, well-appointed house, but
 4. is without the money necessary to pay for the luxury.
 5. ¶ The truth is that most of us make more money
 6. than we can afford. We begin by spending too much,
 7. indulging extravagant tastes, and living in a style which requires
 8. not more money, perhaps, than we can make, but more
 9. than we can afford to make. In order that we
 10. may do this we overtax our strength in work; deny
-
1. ourselves needed rest; pinch our souls in a hundred ways;
 2. impoverish our minds; deny ourselves the advantages of reading,
 3. study and travel; and sometimes cut short our lives. Can [leisure,
 4. there be doubt that, in all such cases, we pay
 5. more for the thing we get than it is worth?
 6. It should be our care, then, not to set before
 7. ourselves too great a task in life. We should begin
 8. with small ends in view, and allow our purposes to
 9. widen when the means for their accomplishment shall be ours.
 10. We should beware of creating an artificial necessity for money
-
1. lest that necessity lead us to buy the commodity at
 2. an extravagant price. In this, as in everything else, it
 3. is of the utmost importance that we shall decide in
 4. advance what we intend doing in life. A vague purpose
 5. to make a good deal of money, and do a
 6. good many other things, is about the worst one with
 7. which it is possible to begin life. As a rule,
 8. he that does two things will do neither well, and
 9. it is important that every young man shall determine precisely
 10. to what end he will live. In this country one

1. can make money in considerable quantities, if he devote himself
2. to the task to the exclusion of everything else, but
3. it is by no means easy for one to become
4. rich, while he is accomplishing anything else. If you would
5. become learned, your time and your energies must be given
6. to the task of acquiring knowledge. If you desire to
7. make a name for yourself, you must add attention and
8. industry to what talent or genius you may have, and
9. pay the whole for the reputation you seek. If you
10. would be rich, you must deny yourself all other good

1. things,—you must give your days and nights, your thoughts,
2. your energies, to the making of money; you must restrain
3. your hand when you would be generous in almsgiving; you
4. must deny yourself luxuries and comforts; you must forego most
5. of the pleasures of life, and devote yourself wholly to
6. the one task of getting and keeping money. This is
7. the price which most of us must pay if we
8. would be rich, and it is the price, too, which
9. most men, who have become rich, have paid. There are
10. exceptional cases now and then, but they are too rare

1. to be taken into account in this place. As a
2. rule, one must forego the thought of becoming rich, if
3. he would accomplish anything else in the world, and the
4. choice ought to be made at the start. The trouble
5. is, that many of us are constantly trying to get
6. wealth and hoping to get it, while we steadily refuse
7. to pay the price. We even allow ourselves to grow
8. unhappy, sometimes, over our failure to get that for which
9. we deliberately refuse to pay. We live in a style
10. which we can well enough afford, perhaps, but which precludes

1. the possibility of amassing a fortune; we indulge tastes which
 2. are altogether commendable, but which cost us a good deal
 3. in time, money, attention or energy; we open our hands
 4. to the needy, as we ought, but as we cannot
 5. afford to do if we are to become rich; we
 6. pursue studies which enrich our minds, at cost of neglecting
 7. the getting of money; we entertain our friends, and keep
 8. our families in comfort, which is right and proper, but
 9. is not at all the way to make a great
 10. deal of money; and having thus used our means in
-
1. buying innumerable good things, we grumble at our inability to
 2. purchase that wealth for which, if we are to have
 3. it at all, we must forego all these things. Nothing
 4. is commoner than this, and nothing could be more unreasonable.
 5. We cannot eat our cake and have our cake, and
 6. it is the part of wisdom to decide whether we
 7. shall eat or keep it. If you set wealth before
 8. you as the object of life, the way is open
 9. and evident to the attainment of your end. You have
 10. only to surrender all other objects; work without regard to
-
1. anything else; make all the money you can, and keep
 2. all you make; stint your body and starve your soul.
 3. The mere accumulation of money by these means is easy
 4. and certain, but the price you must pay is an
 5. outrageously high one. Yet it is the price which ninety-nine.
 6. men in a hundred must pay if they would have
 7. wealth. It is far better to abandon the idea of
 8. getting rich and to devote one's self to a higher
 9. purpose from the beginning. But some money we must have,
 10. and the question each should decide for himself in beginning

1. life is, How much money can I afford to make?
 2. The answer will depend upon several other things. In the
 3. first place, you must ascertain what your money-making capac-
 - [ity is—
 4. not in a vague, uncertain way, but positively. Knowing this
 5. you must determine also how much money you will be
 6. required to spend in living, as you purpose living, and
 7. the difference will be the amount you can afford to
 8. save. An intelligent conception of one's purpose in life, kept
 9. steadily in view, will go a great way toward solving
 10. the problem of happiness or misery. It puts an end
-
1. to vague longing and precludes discontent. It enables one to
 2. accomplish, at least approximately, the end he has set before
 3. him, and so makes of him a satisfied instead of
 4. a disappointed man. It puts fancy in harness and makes
 5. her help to draw the load.

CHAPTER II.

THE DUTY AND THE DANGER OF MAKING MONEY.

1. Having determined how much money you are capable of mak-
2. how much you wish to make, and how much you [ing,—
3. can afford to make, it remains to be decided how
4. much you have a right to make, for in this
5. every man is subject to a limitation which he may
6. not transcend without wronging himself and defrauding the
7. its just dues. There can be no more positive error [world of
8. than the common thought, that every man has a right
9. to make all the money he can by honest methods.
10. Life brings duties with it, as well as privileges, and

1. every man owes the world a debt which he must
2. pay if he would be truly and perfectly honest. To
3. refuse payment in this case is as positively a failure
4. in honesty as to neglect it in any other. Every
5. man owes it to the world to do the very
6. best work of which he is capable. We live in
7. daily enjoyment of a civilization wrought out by those who
8. have gone before us, and in enjoyment also of the
9. results of the work done by our fellows still living.
10. The world gives us all these things, and in return

1. we cannot honestly refuse to render our own best service.
2. Disguise the fact as we may, the family of mankind
3. is a community, each individual sharing, in one way or
4. another, the work of all the rest. No man has
5. a right, therefore, to devote himself so exclusively to the
6. task of making money, as to neglect the doing of
7. his best work in the world, or to unfit himself
8. for its doing. The force of this is felt most
9. strongly when one comes to determine what his business shall
10. be. Professor Agassiz was bred a physician, and might have

1. made the practice of his profession much more lucrative than
2. he could ever hope to make the work he chose
3. to do in the world. But while he might have
4. been a useful and prosperous man, writing prescriptions in some
5. European city, he would, in that case, have defrauded the
6. world not only of the scientific discoveries he made, but
7. also of the museum at Harvard, one of the completest
8. natural history collections in the world, which was built up
9. almost exclusively by his labor. We should have lost, too,
10. the influence he has exerted upon the educational system of

1. our country; the school at Penikese; the hunger and thirst
2. for scientific information which are working a revolution not in
3. our schools only, but in our lives as well. The
4. world would have lost all these merely that Louis Agassiz
5. might accumulate a few thousands of dollars. And the rule
6. we apply to his case is applicable to all. It
7. is given to few men to accomplish the tenth part
8. of that which he did, but every man may do
9. far more if he choose his work wisely and conscientiously,
10. than if he determine it merely by the test of

1. its pecuniary productiveness. Besides the general duty of every
2. to do the work for which nature has best fitted [man
3. him, every man owes it to himself so to choose
4. his business as to secure the largest intellectual and moral
5. growth, and the greatest degree of happiness to himself and
6. to those around him. All these things should have their
7. weight not only in the choice of a business, but
8. equally in its pursuit, and all these things limit the
9. right of a man to make money. The general principle
10. involved may be stated in a few words, as follows:

1. It is the duty of every one to make money
2. enough to supply the reasonable wants of himself and of
3. those dependent upon him. It is his privilege to make
4. as much more as he can without sacrificing worthier ends.
5. The application of this principle will be seen in subsequent
6. chapters, and in its application to individual cases it leads
7. to various results. It prompted Agassiz, as we have already
8. seen, to forego the easy accumulation of money in order
9. that he might do that for which he was so
10. eminently fitted, and which the world so greatly needed. On

1. the other hand, such men as Stephen Girard and Peter Cooper have been impelled, by identically the same principle, to the laborious accumulation of enormous wealth, with which alone [their
4. equally excellent work might be done. Had Agassiz made money, his work must have been neglected. To Girard and Cooper the making of money was an essential part of the task set them. ¶ There are so many pleasant things connected with the possession of wealth, and man is so prone to think those things good which are agreeable, that every one of us is in danger of magnifying both the
1. duty and the privilege of accumulation. We are apt to think ourselves best fitted for those things at which we can most readily, and most surely, make money, and here is a danger to be avoided. Without doubt, our ability to make a calling profitable is, in some sense, and to some extent, a measure of our fitness for it; but that it is not always a correct measure is evident. There is another danger, too, to be guarded against, namely, that as our accumulations increase, the desire to accumulate will grow with them, until it becomes a genuine passion, [late
1. in which case it is sure to override every other consideration, and to make of us mere machines for making money, than which no fate can well be worse. The birth and growth of this passion is almost always imperceptible, and hence it is one that can be guarded against only by the utmost watchfulness of an alert conscience. To avoid it with certainty, one must keep constantly in view the purposes for which he is making money, never allowing himself for a moment to regard the money itself as an end worth working for. These general principles are not

1. in any sense new. They have been stated so often
2. that I should gladly omit them here but for the
3. fact that they are constantly neglected in practice. Upon them
4. rests the whole body of the ethics of money-making, which
5. in our country, at least, involves almost all there is
6. of ethics.¹ Their statement here is necessary, too, as a
7. foundation for what follows. It is necessary for the reader
8. to understand at the outset the point of view from
9. which we are to consider our subject, and to this
10. end I recapitulate the principles upon which this little treatise

1. rests, as follows: first, it is both the right and
2. the duty of every man to make money enough to
3. supply the reasonable wants of himself and his family. Second,
4. it is the right and, in some sense, the duty
5. of every man to make as much more money as
6. he can, consistently with his obligations to himself, his family,
7. and the world at large; third, every man must pay
8. for whatever money he gets, and the price of wealth
9. is very much greater than most men can afford to
10. pay, and much greater than most men are willing to

1. pay; fourth, money is good as a means to the
2. accomplishment of worthy ends, but as itself an end, it
3. is utterly unworthy of human effort; wherefore its pursuit, except
4. as a means, must of necessity be debasing.

CHAPTER III.

THE CHOICE OF A BUSINESS.

1. An especially important part of every man's career is its beginning, upon which, in a great degree, depends the prosperity of the man throughout. The choice of a business determines the life of a man. It limits him on every [sometimes; it hand, moulding him physically, intellectually, and even morally determines how much and what kind of work he shall do, how much leisure he shall have, what books he may read, what his associations are to be, and in a hundred other ways affects his daily life to the end, and shapes his character more certainly than even his previous education has done. It is, therefore, of the utmost importance that every one shall choose his business wisely, determining the question not, as is ordinarily done, upon caprice or [mining under the influence of accidental circumstances, but upon a just estimate of his fitness for the business and the fitness of the business for him. So to choose is to avoid nearly half the errors which embitter human life. So to choose is to insure the spending of life profitably, worthily, and, for the most part, agreeably. Of an unwise choice comes failure, probably—inefficiency and discontent, certainly. To choose

1. wisely, one must know himself as thoroughly as possible, and
2. must govern his decision by correct principles, taking care that
3. mere fancy shall have nothing whatever to do with it,
4. and that no misapprehension of facts shall mislead him. A
5. misstep is fatal in most cases, and a source of
6. ill always. ¶ The first point to be considered, in the
7. choice of a business, is your ability to earn a
8. proper livelihood in its pursuit. If it does not give
9. a reasonable promise of that, it is no fit business
10. for you in any case. The laborer is worthy of

1. his hire, and you have no right to withhold the
2. hire, even though you be yourself the laborer in question.
3. The world does not "owe you a living," as the
4. phrase goes, but you owe it to the world to
5. earn a living for yourself. You must live somehow, and
6. have no right to live upon the product of other
7. labor than your own. It is necessary also to consider
8. whether or not the business is likely to yield more
9. than a living. Money in excess of one's actual needs
10. is a powerful agent greatly increasing one's capacity for good

1. work. Other things being equal, that business is best which
2. will certainly yield a support and is likely to yield
3. the largest surplus. But in order that other things shall
4. be equal, several conditions must be satisfied. As we have
5. already seen, the world is entitled to your very best
6. work, and in choosing between all the avocations which satisfy
7. the first condition set down above, it is the imperative
8. duty of every man to choose the one in following
9. which he is likely to do the best work. And
10. by one's best work we do not mean work in

1. the most dignified and so-called "respectable" employment he can
2. but the best work he can do of any kind. [follow,
3. It is far better to make particularly good horse shoes
4. than to practise law or medicine only tolerably well. The
5. man to whom nature has given a genius, or even
6. a talent for mechanics, positively wrongs his fellow-men when he
7. chooses to devote himself to a business in which he
8. is less able to excel. No man has a right
9. to spoil a good blacksmith or carpenter for the sake
10. of making an indifferent physician, or clergyman, or attorney. It
 1. is the duty of every man to ascertain as nearly
 2. as possible what talents he has,—for what he is
 3. best fitted, and to choose his employment accordingly. There is
 4. a joy in doing the thing for which we are
 5. fitted that no man can know whose work is less
 6. truly in harmony with his nature. The market is always
 7. overstocked with middling work of all sorts, while first rate
 8. work in every department of human effort is always so
 9. scarce as to command high prices. Every newspaper editor, every
 10. merchant, every manufacturer, every employer of any sort, in-[deed, is
 1. constantly overwhelmed with applications from people who are [capable of
 2. doing tolerably good work, while every employer knows that when
 3. he has need of a man capable of really first
 4. rate performance, he must search diligently for him, and pay
 5. him a high price when he is found. Now, the
 6. men who become capable of this sort of work are
 7. those, and those only, who have devoted themselves to the
 8. business for which they are, by nature and education, perfectly
 9. fitted. Your physical fitness for the business must, likewise, be
 10. considered. You have no more right to commit indirect than

1. direct suicide. You owe it to yourself and to the
2. world, which has need of you, to live out your
3. full measure of life, in health and in working condition,
4. as far as the matter is within your control. If
5. there be that in your constitution, or in the history
6. of your family which indicates a liability upon your part
7. to particular classes of disease, you have no right to
8. presume upon your present health, or upon chance good fortune
9. in choosing a business, the pursuit of which will add
10. to the danger or diminish the safeguards against it. In

1. like manner, if you are likely at any time to
2. be a married man, it becomes your duty in choosing
3. your avocation to recognize the claims of wife and children
4. upon your time and society. There are professions and trades,
5. as everybody knows, which no married man can follow without
6. unjustly depriving his family of the companionship which every
7. owes as an imperative debt to those who constitute his [man
8. household. The man who is likely ever to marry has
9. no more right to adopt one of these callings than
10. he has to provide in any other way for the

1. discomfort of his family. It is especially desirable that you
2. shall find your level. A large percentage of life's failures
3. and many of life's miseries are due to the persistent
4. attempts of people to do things for which they are
5. not fitted. A blunder of this kind at the outset
6. is almost sure to embarrass one through life. There are
7. hundreds of people who, by dint of favor shown and
8. by the unwise assistance of friends, manage to waste a
9. life in the doing of poor work for poor pay,
10. while they might be doing excellent work of some other

1. sort, and living a life of personal independence and manliness.
 2. The trouble comes mostly from a mistaken notion of respectability.
 3. There is, even in our democratic country, a feeling that
 4. certain callings are in some way more respectable than others,
 5. and, unmanly as this feeling is, it misleads thousands to
 6. their ruin. In so far as it refers to the [asmuch as
 7. learned professions we may readily understand the prejudice, in
 8. the successful pursuit of these, of necessity, implies the possession
 9. of both intellectual strength and culture, and these are matters
 10. worthily held in universal esteem. There is genuine dignity and
 1. honor in the pursuit of callings of this kind, provided
 2. the pursuit be successful. The dignity and honor belong not
 3. to the professions, but to the intellectual qualifications necessary to
 4. their successful following. There is no honor in unworthily doing
 5. anything. The practice of a profession without the necessary

[qualifications]

 6. only serves to emphasize their absence, and so the man
 7. who seeks honor by entering a profession for which he
 8. is unfit, secures contempt instead. But the prejudice which holds
 9. certain callings more honorable or more respectable than others
 10. not confine itself by any means to the drawing of [does
 1. a line between those professions which presuppose culture, and
 2. which do not. The idea seems not an uncommon one [those
 3. that it is in some way more respectable to sell
 4. goods over a counter than to follow a mechanical pursuit,
 5. or, in general terms, that those avocations which may be
 6. followed in broadcloth are more dignified than those which may
 7. not. That these distinctions are not founded in reason becomes
 8. evident the moment one tries to trace them to their
 9. origin; but that they serve to mar many lives which
 10. might be useful ones, is unquestionably true. There must be

1. salesmen in our dry goods stores, of course, but the
2. demand is always greater for skilled than for unskilled labor,
3. and the supply is always in an inverse ratio. The
4. mechanic has a technical culture—a skill gained by years
5. of patient study,—which the other has not, and the
6. possession of such a culture is a just ground for
7. honest pride, as well as a sure guaranty against poverty.
8. In short, while all honest work is honorable and dignified,
9. the skill of the mechanic, which is in itself culture,
10. is a worthy subject of pride, and other things being

1. equal, the mechanic is superior in fact to the unskilled
2. worker. He can do a higher kind of work, and
3. he is a more thoroughly educated man, in his fustian,
4. than is his fellow in broadcloth, who lacks his technical [this
5. knowledge. There is still another mistake commonly made in
6. matter. It is not the erroneous notion of respectability alone
7. which leads so many young men who ought to know
8. a trade into clerkships and salesmen's positions instead. There is
9. a prevalent belief among young men that there are more [cal
10. and better chances for advancement in commerce than in mechani-

1. pursuits. Half the young men who seek city clerkships look
2. confidently for the coming of a time when they shall
3. be merchants on their own account. They ponder the stories
4. of men who, beginning as office boys, have become chief
5. clerks, junior partners, and ultimately even the seniors in great
6. houses, until these come to represent, in their eyes, the
7. ordinary and probable course of affairs. They forget that success
8. of this kind can come to but one man out
9. of many thousands, and that when it does come it
10. is the result of something more than mere chance. To

1. a young man with capital in reserve, or with its [ity a
 2. equivalent in influence, or, still better, with extraordinary capac-
 3. clerkship may offer a reasonable prospect of ultimate advance-
[ment, but
 4. without one or another of these conditions, the chances are
 5. more than one to a thousand that he will never
 6. succeed in making more than a bare support for himself.
 7. The mechanic, on the other hand, brings a definite skill
 8. to bear upon money making. Only those who are similarly
 9. skilled can compete with him for employment. His skill is
 10. a positive capital, and his work is always productive. There
-
1. are few "brilliant" opportunities open to him, though there are,
 2. in reality, quite as many as there are to the
 3. salesman or clerk; but he knows definitely how to do
 4. something which other men must have done, and which they
 5. cannot do themselves, and if he is sober and industrious
 6. he is always sure of a support, while, with a
 7. wise economy, he may almost certainly accumulate a comfortable
 8. in the end. In skill only is there any real [surplus
 9. safety from want. Even the possession of wealth is not
 10. half so sure a guaranty against poverty, and no man
-
1. who is without a thorough knowledge of some business is
 2. ever safe. So long as this was a new country,
 3. with undeveloped resources on every hand, growing wild, as it
 4. were, there were opportunities which no longer exist for the
 5. easy and rapid accumulation of wealth. Almost any man of
 6. ordinarily good capacity might make money without definite skill,
 7. while that was the case, knowledge of some business was [and
 8. far less important than it now is as a preparation
 9. for life. When every man who could turn his unskilled
 10. hand to any useful thing was sure to find work

1. and wages, and when every purchase of a piece of
2. land included a possible purchase of a coming city, there
3. was less need than now of a technical education. But
4. the era of easy money getting is rapidly passing away.
5. The work of developing our country's resources is only fairly
6. begun, it is true, but it is so well begun
7. that only skilled labor is wanted in its further accomplishment.
8. The geography of our land is already definitely planned, and
9. men of wealth have anticipated our growth by many decades
10. in the purchase of land upon which towns are likely
 1. to grow. Skilled workers are to be had where there
 2. were none a generation ago, and they inevitably crowd their
 3. unskilled fellows from the places which eagerly sought them [heretofore.]
 4. Unskilled brains and hands found abundant and remunerative [employment when]
 5. there were no others, but that day has gone by
 6. forever, and the young man who can offer the world
 7. nothing better than untrained ability, is sure now to be
 8. left standing idle in the market-place because no man has
 9. hired or is likely to hire him. The ease with
 10. which money has been made hitherto by people without definite
 1. skill, has bred a national vice in this regard, and
 2. nothing less than a generation or two of positive suffering
 3. will cure it effectually. But every man may avoid it [allow
 4. for himself. The indifference with which young men habitually
 5. themselves to drift listlessly into avocations for which they are
 6. by nature unfit; the confidence with which they trust chance
 7. to do for them that which they should do for
 8. themselves; and the blind recklessness with which they neglect to
 9. acquire a skill that may serve them in their life
 10. struggle, is appalling. If the author of this little

1. book might effectually warn his readers against so dangerous a course, might hope to carry conviction to the half of them on this one point, he might fairly rest content.
4. Learn a regular business and learn it well. To teach that alone would be to tell young men "how to make a living." Having learned a business it is almost always unwise, sometimes it is even dangerous, to change it either in whole or in part for any other calling.
9. It is not at all probable that you will succeed better in a business which is new to you than

1. in the one you understand, and so long as that yields you a support, you cannot safely surrender it for something else. We have a national vice in this regard which is hardly less hurtful and dangerous than the one already alluded to, and it is a result of precisely the same causes. While unskilled workers were in demand, and unskilled labor was profitable, it was safe enough and often advisable to substitute one occupation for another, laboring to the demand of the day. The alteration which has taken [supply place in the character of our country,—our growth from

1. the condition of new settlements to that of populous states, has wrought a change in all this, and as it is now of paramount importance that every man shall regularly learn a business, so too it is only in the persistent pursuit of the business learned that there is now any safety. The temptation to change is often a very strong one, and it comes in many shapes. The danger [callings. lies chiefly, however, in the specious allurements of catch-penny. When one finds his own avocation a plodding one, yielding only its small regular wages, the temptation to change is

1. strong. And when in such a case he is permitted
2. to catch a glimpse of the occasional earnings of some
3. follower of a precarious business, it becomes almost irresistible.
4. such a case it is well to remember, first, that [In
5. so much in a day is not so much every
6. day; and secondly, that for every man who succeeds in
7. callings of this sort, at least ten fail utterly. A
8. canvasser who makes fifty dollars in a day is certain
9. to speak of the fact, but he is equally certain
10. not to say anything of the many weary days whose

1. work brought nothing. Of the canvassers who fail entirely, we
2. naturally hear nothing at all. The chances of success in
3. callings of this general character (and those are the avocations
4. which the people who change from one business to another
5. commonly adopt) are very much smaller than the chances of
6. failure. In truth, not one person in a hundred has
7. the qualifications necessary to win tolerable success in this kind
8. of work. These qualifications are inherent, and not to be
9. acquired in any way. Without them failure is simply inevitable,
10. and most of us are utterly destitute of them; wherefore

1. a very large proportion of those who have tried business
2. of this kind, have failed in the attempt. Most men
3. seem prosperous to their neighbors, who see only their mode
4. of life, and their expenditures, knowing nothing of their toil
5. or of the economy which they find it necessary to
6. practise in private. So, too, every man's work seems easier
7. and more agreeable than our own, simply because we see
8. it from the outside, knowing nothing of the drudgery incident
9. to it, the difficulty of doing it, or the poverty
10. of its results as its doer knows them. Of our

1. own work we tire now and then, and when we
2. do we exaggerate its difficulty and the disagreeable things at-
3. it. Its results are much smaller than we have hoped, [tending
4. perhaps, and we naturally assume that they are smaller than
5. those attained by our neighbor. We draw unjust comparison
6. his lot or his work and our own, knowing our [between
7. own perfectly and his imperfectly. Now it is a well-ascertained
8. fact that the profits of different handicrafts do not materially
9. vary from one standard, and it is safe to say
10. that there is no great difference between the net results

1. of all the different avocations open to any one man.
 2. In other words, every man's money-getting power is limited by
 3. his character, his intellectual capacity, his education, and his [capital.
 4. These enable him to follow any one of certain avocations,
 5. and his earnings will be substantially the same whether he
 6. adopt one or another of the callings open to him.
 7. What the result would be if he had a larger
 8. capital, or a better education, or greater capacity, and so
 9. were fitted for some business which he cannot follow at
 10. all as he is, it is not worth while to
-
1. inquire. Such as he is, he is capable of making
 2. a certain amount of money, and he could hardly increase
 3. the amount if his business were other than it is.
 4. To change, therefore, from one of the businesses open to
 5. him to another which cannot pay better, is useless in
 6. any case, and when the change is from a calling
 7. in which the man is an expert to one in
 8. which he is a mere tyro, it is sheer folly.
 9. Now and then one does benefit himself by such a
 10. change, and this fact serves to tempt others all the

1. more strongly. But cases of this kind are rare exceptions
2. to a well-nigh universal rule, and when they occur at
3. all there is nearly always some factor involved which is
4. not common to other cases at all. The man has
5. some special fitness for the new undertaking; or was in
6. some way specially unfitted for the old; or he is
7. a man of more than ordinary versatility; or he has
8. entered upon his new calling under peculiarly favorable auspices;
9. as is sometimes the case, pure accident has come to [or
10. his assistance. Whatever the cause of his success may be

1. it is exceptional, and in no way affects the rule
2. that it is always dangerous and often disastrous to change
3. from one avocation to another. If one is not succeeding
4. satisfactorily in the business which he knows, he may safely
5. assume that he will find it still more difficult to
6. succeed in one which he does not know. If you
7. take pains to make yourself absolute master of your business,
8. and give to it all the energy you have, success
9. is certain. If you are doing listlessly that which needs
10. to be done earnestly, you have only to rouse yourself

1. to better performance. If you know imperfectly that which you
2. should know perfectly, the shortest road to success is to
3. stick to your work until you shall learn to do
4. it with a master hand. It is not the best
5. class of workmen in any calling who are out of [fluctuations of
6. employment, or whose work commands inadequate wages. The
7. business bear lightly upon these, even while their less competent
8. fellows are reduced to actual want. A reduction of force
9. means always the discharge of the least efficient hands, and
10. a reduction of wages strikes them first also. "There is

1. room enough in the upper stories," said Mr. Webster, when
 2. he was reminded that the profession he had chosen was
 3. already overcrowded, and the remark holds good in all other
 4. avocations. To sum up briefly what has gone before, we
 5. say to every young man: first, select a calling for [second,
 6. which you are fitted by nature, education and circumstances;
 7. learn your business thoroughly, making yourself a master work-
- [man; third,
8. entertain no thought of changing from one avocation to another;
 9. fourth, bring to bear upon your work all the energy [membering
 10. and capacity you have; fifth, do your work conscientiously, re-
-
1. that to do it ill is to defraud yourself, your
 2. family and the world; sixth, respect yourself too much to
 3. hold your calling unworthy, bearing in mind the fact that
 4. that work is most honorable which is best done.

CHAPTER IV.

MARRIAGE AND MONEY.

1. Can a young man afford to marry? It is unquestionably
2. true that no man should marry who is not able
3. to support a family in tolerable comfort. But every man
4. who knows a business thoroughly, and has reasonably good health,
5. is able, in our country at least, to support a
6. family, if he be right minded and master of himself.
7. Without skill in some recognized calling, however, marriage is in
8. the last degree dangerous, even to men with wealth already
9. in possession. There is no certainty that one's wealth will
10. remain with him. Skill is the only certain possession, the

1. only thing which one cannot lose, and skill only is [has
2. an adequate safeguard against ultimate poverty. The man who
3. skill to offer the world is sure of a market
4. for his wares, and such a man need have no [such a
5. hesitation about marrying under proper conditions. And to
6. man a family has a positive pecuniary value, much greater
7. than the cost of its maintenance. The man of family
8. has incentives, which no unmarried man can have, to constant
9. exertion, to sobriety of life, to economy, to steadiness of
10. purpose, to all those virtues, in short, which render business

1. success certain and make business failure next to impossible.
2. men as a rule, are better workmen than single ones, [Married
3. in every branch of human exertion. They retain their situations
4. longer. Their attention is less likely to be diverted from
5. business to other things. Their earnings, in every kind of
6. business, are usually greater than those of unmarried men; and
7. their hold upon business is far surer than that of
8. men who have only themselves to provide for. Against all
9. these considerations must be set the cost of maintaining a
10. family. But is there really any cost in the matter?

1. Is there not rather a positive economy in marriage? As
2. a rule, certainly, married men save more money than single
3. men. They are not married men because they are better
4. off than their fellows, but are better off because they
5. are married men. The unmarried man has a hundred necessary
6. expenses, which the married man escapes entirely. And the
[temptations
7. which beset single men to spend money in unnecessary ways,—
8. temptations of which the married man knows nothing,—are too
9. well known to need mention. And the money thus unnecessarily
10. spent is commonly sufficient to pay the entire expense of

1. a family. The fact is that very few single men
 2. who must live from their work save anything at all
 3. out of their incomes, while nearly all married ones do.
 4. In other words, the majority of men find it more
 5. expensive to live single than to marry. ¶ Aside from the
 6. moral enormity involved, the very worst speculation in which any
 7. man can engage is that of marrying for money. Judged
 8. by purely economic laws, it is almost always dangerous, to
 9. say the least. Young women who inherit property are usually
 10. the daughters of wealthy men, and at any rate are
-
1. accustomed to live in a style which the money or
 2. property they bring into the partnership will not suffice to
 3. maintain. In other words, the expense of maintaining such a
 4. wife is usually greater than the income her property can
 5. be made to yield, and, as a consequence, mercenary marriages
 6. of this kind are apt to result in an ultimate
 7. poverty which the wife does not know how to share
 8. with her husband, or how to remedy in the smallest
 9. degree. And the principle holds good in cases in which
 10. the marriage has not been a mercenary one at all,
-
1. if the wife alone has brought money or property into
 2. the family. With the very best of purposes she does
 3. not know how to adapt herself to a mode of
 4. life less expensive than that which obtained in her father's
 5. house, and her inheritance alone is rarely ever sufficient for
 6. that. ¶ We hear a good deal of the extravagance of
 7. women, and of the ruin it works in men's affairs.
 8. Somebody once said that modern women are so extravagant in
 9. dress, and so helpless in other respects, that none but
 10. rich men can afford to marry them, and foolish people

1. have been saying the same thing, or something like it,
2. ever since. Every time a man fails in business, people
3. take an inventory of his wife's wardrobe, and cry out,
4. "Poor fellow, he was ruined by her extravagance!" No account
5. is taken of his club expenses, or his unnecessary restaurant
6. bills, or his fast horses, or the vanity that prompted
7. him to buy a finer house than he needed, and
8. to furnish it in a style which he could not
9. afford. The man may have gambled his money away, or
10. he may have lost it in reckless stock speculation for

1. all anybody knows to the contrary, while his wife, whom
2. he has deluded into the belief that he is rich,
3. has dressed and lived only as his seeming circumstances justified
4. her in doing, doing it too for his sake, chiefly,
5. that he might not be ashamed to introduce her as
6. his wife,—that his home might be pleasant,—that he
7. might feel free to have his friends as guests, and
8. sometimes for the sake of the business advantages resulting from
9. a graceful hospitality. It is true enough that women are
10. not commonly taught the value of money or the principles

1. of economy as they should be; but for the most
2. part they are not fools. The ruin of their husbands
3. is their ruin also. Poverty and changed circumstances fall far
4. more heavily on them than upon their partners in life.
5. The man goes to his business and spends half his
6. life outside his home. The woman lives at home, and
7. suffers. To her poverty is ever present. It is she
8. who must pinch and save in ungraceful ways. Of the
9. burden of the ruin she must bear the larger share.
10. And knowing all this, women do not willingly work ruin

1. in their husband's affairs. That they bring it about sometimes
2. is true enough, but they do so unwittingly in nearly
3. all cases, and it is clearly the fault of the
4. man that they know not what they do. A man
5. spends money in a hundred ways of which his neighbors
6. know nothing, while the extravagance of a woman is almost
7. certain to be ostentatious. Indulgence is his object, display hers,
8. and so his sins are covered while hers advertise themselves.
9. And even that which seems to be her extravagance is
10. often his. The new carpet may have been bought at

1. his behest, that he might seem prosperous in the eyes
2. of his friends and guests, but the wife is blamed
3. if a catastrophe happens to reveal the fact that the
4. purchase was an unwise one. Every married woman knows that
5. she may be left a widow, with children to maintain,
6. and nearly every married woman is anxious to prepare for
7. such a contingency by the accumulation of means while the
8. means are to be had. But every woman also wants
9. to live as comfortably as she can. If she be
10. right-minded she desires to make her home a specially attractive

1. place, not for her own sake only nor even chiefly,
2. but for the sake of her family. To reconcile these
3. two desires with each other—to accomplish the one end
4. with the least possible sacrifice of the other, is the
5. problem which every married woman has to solve, and most
6. of them honestly and earnestly endeavor to solve it satisfactorily.
7. Women are neither idiots nor children. They may not know
8. much of the laws of finance, but they do know
9. that if they spend more money than their husbands make,
10. the end will be financial ruin. But what is a

1. woman to do, who is vaguely told that she must
2. economize, but is at the same time left in ignorance
3. of the amount of money she may legitimately spend? To
4. tell the wife to economize, without telling her also what
5. her husband's income is, is to talk to her in
6. a language of which she does not know the alphabet.
7. And when to such folly is added the injustice of
8. misleading her as to the extent of your resources by
9. your own self-indulgence, or even by indulgence shown to her,
10. she is certainly not to blame if her conception of

1. the economy necessary shall prove wholly inadequate. No sane
[man

2. would think of entrusting the management of an important branch
3. of his business to a partner, and keeping that partner
4. in ignorance of the facts underlying the business itself, even
5. if he could find a partner willing to be kept
6. in such ignorance. In an important sense every wife is
7. her husband's business partner. She not only keeps the expense
8. account, but governs it also, and she can govern it
9. wisely only when she knows upon what it rests. Having
10. a duty to do in the matter, she has a

1. right to the information necessary to its proper perform-
2. while it is the right of the wife to share [ance. ¶ And
3. in her husband's business sufficiently at least to be able
4. to manage it wisely and well, it is clearly the
5. interest of the husband to make her his advisory partner
6. to a much greater extent if possible. The duties and
7. responsibilities implied in such a position give healthful occupa-
8. her mind for one thing. The wife who is fully [tion to
9. informed of her husband's business affairs; who knows what his
10. means and what his necessities are; who is able to

1. decide for herself what measure of economy is prudent, will
2. naturally plan and execute a system of saving which will
3. accomplish its purpose with the least possible friction, and with
4. the smallest sacrifice of comfort to her family. Such a
5. woman has many incentives to economy which her less fully
6. enlightened sister can never have. She is constantly able to
7. adjust the family expenses to the family purse, and as
8. she guesses at nothing, she is not likely to make
9. serious mistakes. Above all, she becomes as much interested as
10. he in the success of a business upon which both

1. depend for prosperity, and of the progress of which she
2. is fully informed, and there are a thousand ways in
3. which she may and will contribute materially to its successful
4. prosecution. She is an excellent adviser in many cases, and
5. a conservative force always, and every business man knows how
6. sorely conservatism is needed in most men's affairs. When the
7. business becomes less profitable than usual, the well-informed
[wife sees
8. the necessity for domestic retrenchment, long before most men
9. think it necessary. In short, the young man with his [would
10. way to make in the world cannot do a better

1. thing than take his wife into confidential partnership from the
2. beginning. When two people marry it is presumable that they
3. intend to be as prosperous and happy as possible. Their
4. interests are identical. Upon the wise administration of their
5. both at home and in business, depends, in a large [affairs
6. measure, the success of their efforts to live happily. Knowing
7. this, common sense ought to teach them the necessity of
8. a clear understanding at the very outset. They must work
9. together with common means for the accomplishment of a common
10. end, and there can be nothing more absurd than an

1. attempt to do this while one of the joint managers—
 2. and that the one upon whom chiefly falls the duty
 3. of maintaining a just ratio between expenses and income,—is
 4. kept ignorant of the state of the family exchequer. It
 5. seems strange that any man should be ashamed of his
 6. lack of wealth; and that he should blush to own
 7. it to his wife is even stranger. The only sensible
 8. course—the only course indeed—in which there is even
 9. tolerable safety, is for the man who provides the means
 10. to enlighten the woman who controls the expenditures as to
-
1. the exact resources at their joint command.

CHAPTER V.

HOW TO LIVE ON YOUR INCOME.

1. There was a deal of wisdom in Mr. Micawber's dictum
2. that if a man has twenty pounds a year for
3. his income and spends nineteen pounds nineteen shillings and
4. he will be happy, but that if he spends twenty [sixpence
5. pounds one, he will be miserable. We all recognize the
6. truth of this as heartily as Mr. Micawber did,—and
7. a good many of us imitate his utter neglect to
8. practise the precept which he was so fond of laying
9. down for the guidance of others. We have need of
10. very little arithmetic to teach us that if we spend

1. more money than we get we shall be ruined. I
2. happen to know a man whose actual income during the
3. past ten or twelve years has never been less than
4. four thousand dollars, and yet he has gone deeper and
5. deeper into debt with each succeeding year, simply because each
6. year has brought with it the hope that the next
7. would prove greatly more profitable than any of its predecessors.
8. He has never once relinquished his purpose to accumulate a
9. moderate sum of profitably invested money, upon which to retire
10. from active business, and that he might have done so

1. before this time is evident, if he had been content
2. to govern each year's expenditures by the year's earnings, rather
3. than by next year's promise. His case is an extreme
4. one, perhaps, but the principle involved is very common. Almost
5. every man who lives beyond his means intends to live
6. within them. His failure to do so is due in
7. most cases to self-delusion of some sort, and rarely if
8. ever to a deliberate purpose or even to a conscious
9. recklessness of the consequences of this self-delusion. ¶ You
10. ascertain what your income is; not what it is to [must first

1. be; still less what you hope it may be, but
2. what it is. There must be no uncertainty of any
3. sort about the matter. Vague ideas, approximate estimates, are
4. in all business matters. The merchant is not content to [fatal
5. know the details of his business approximately. He takes care
6. to learn the exact amount of his expenses, the exact
7. cost of goods, the exact extent of his sales, and
8. exactitude is certainly not less essential in dealing with the
9. problem of how to keep one's expenditures within one's means.
10. But even this is not all. You must not only

1. know what your income is, but also what you can
2. certainly keep it in the future. A salary which may
3. be reduced or cut off entirely next week, or next
4. month, or next year, is no safe measure of your
5. ability to spend. To a certain degree your income, whatever
6. its nature and its source may be, must be the
7. measure of your expenses, but if its continuance be uncertain
8. you cannot wisely expend as large a share of it
9. as you might of an equal income of a more
10. certainly permanent sort. Possible periods of reduced earnings or
[of

1. no earnings at all must be admitted as factors in
2. the problem, and it is the average to which these
3. may reduce your earnings that should be your standard. If
4. you can keep within that average you are safe, but
5. not otherwise. Should your precautions prove in the end to
6. have been unnecessary, the only result will be a larger [Having
7. sum saved and a speedier accomplishment of your purpose.
8. ascertained what amount of money you can certainly count upon
9. as your income, it will be comparatively easy to keep
10. your expenditures within that limit. You will know at any

1. rate how much you can afford to spend, and as
2. over-expenditure results in a great degree from lack of precisely
3. this knowledge, you will at least be much safer with
4. than without it. You will know what is the nineteen
5. pounds nineteen shillings and sixpence which you may spend with
6. safety. But as next week or next month may bring [safety lies
7. an unforeseen necessity for extraordinary expense, your only
8. in providing in advance for such contingencies. It is never
9. safe to trust to future economy to repair the waste
10. and restore the disturbed equilibrium. If you find thirty dollars

1. a week to be the amount you can afford to
2. spend throughout the year, it is the part of prudence
3. to spend only twenty-five now, so that when sickness or
4. other accident shall compel you to exceed the amount for
5. a time, your safe average may not be transcended in
6. the end. Neglect to do this has made saving impossible
7. to hundreds of people, and we hear every day of
8. families reduced to starvation by reason of some unexpected and
9. unprovided-for sickness, on the part of the producing member.
10. once knew a man whose rule in life it was

[¶ I

1. to spend all the money he could get and to
2. stretch his credit also to its utmost limit, and he
3. justified this on the ground that unexpended money and unused
4. credit were of no account in the sum of life's
5. enjoyments. But this is an exceptional case. Most people dis-
6. intend to save something out of their incomes, but they [tinctly
7. fail because they do not know when to save. They
8. intend to save largely as soon as the immediate pressure
9. of present wants shall be relieved. Next week, next month,
10. they will certainly save, but just now it is impossible.

1. On nothing else do so many slip. The trouble is
2. that it always seems easier to economize after a while
3. than now. Next week's necessities do not assert themselves as
4. those of the present do. We do not discover all
5. of them in advance, and those which we do see
6. seem far less pressing than they will when we shall
7. come to them. And so we exaggerate our ability to
8. save hereafter, while we neglect to save now, at the
9. same time cultivating a fatal habit of self-indulgence which is
10. likely to prove one of the greatest difficulties in our

1. way. There is just one time to economize, and that
2. is Now. You must save something to-day and every day,
3. never offsetting to-day's neglect with to-morrow's possible performance. To
4. save requires deliberate self-denial. He who puts away any
5. of his income must of necessity deny himself an exactly [portion
6. equivalent portion of the things which that income is capable
7. of buying, and there are few people indeed whose incomes
8. are so large that this may be done without a
9. direct and earnest effort. ¶ A very common trouble in this
10. matter of putting away one's earnings for future use is

1. the failure to appreciate the value of small things, or
2. rather the failure to appreciate the saving worth, if I
3. may so put it, of the very smallness and valuelessness
4. of little things. In other words, we are apt to
5. regard the pennies or dimes in our pockets as too
6. small to be worth saving. We intend to save, but
7. rarely ever find it convenient to spare a five or
8. ten dollar bank note from our pocket-books, and deeming smaller
9. savings hardly worth attention, we end by putting away nothing
10. because we cannot put away a good deal. All the

1. saving that is done at all is done in small
2. sums. The deposits in savings banks amount to many millions,
3. but they consist almost wholly of very little sums of
4. money; and so well is this principle recognized in institutions
5. of that sort that they all make it a rule
6. not only to accept but especially to encourage small deposits,
7. many of them taking as little as a single dime,
8. willingly, in spite of the fact that every deposit makes
9. necessary an amount of clerical work which the dime would
10. hardly pay for, even if it were given to the

1. institution outright. As a rule, therefore, the place to begin
2. saving is in little things. The pennies which lie loose
3. in one's pockets should be the first objects of attention,
4. and after these, fractional currency must be considered. No one
5. ever realizes, until he has subjected the matter to the
6. test of experiment, how much money passes through his hands
7. annually in very small pieces. I happened to be present
8. one day when a man of very limited means was
9. discussing the possibility, for he was in no doubt whatever
10. as to the desirability, of insuring his life. He urged

1. the fact that with all the economy he knew how
2. to practise he never yet had been able to count
3. fifty dollars as spare money; and he insisted that it
4. required absolutely all the money he could make in his
5. business to meet the actual wants of his family, and
6. without doubt he had always found it so. The agent
7. replied, however, with a remark that startled him: "A policy
8. of five thousand dollars will only cost you ten cents,
9. and you can save that by wearing your boots a
10. week longer than you commonly do." "Ten cents? What do

1. you mean? The premium according to your own statement is
2. a hundred and nine dollars a year." "That is very
3. true," replied the agent, "and yet you will only have
4. to save ten cents, or at any rate you need
5. never be conscious of saving more than that, to meet
6. the payments. I'll explain what I mean. Take a child's
7. safe,—it will cost you only ten cents, and whenever
8. a ten-cent piece comes to you in making change, slip
9. it into the safe. If two or three come at
10. once and from the same person, put only one in.

1. I'll advance the first payment myself, and when the second
 2. falls due, we'll open the safe. If there isn't enough
 3. in it to pay me back, after paying the second
 4. year's premium, I'll stand the loss. And if you miss
 5. the money so put away, you needn't continue the policy."
 6. The proposition was both novel and startling, and in accepting
 7. it the man, who was a merchant in a country
 8. place, warned his friend that he should hold him to
 9. his promise. A year later I went with the agent
 10. to see the safe opened. Instead of one there were
-
1. several of the little tin receptacles, each full of ten-cent
 2. pieces, but the merchant was confident that the aggregate could
 3. not be more than fifty dollars. "But it is fifty
 4. dollars saved," he said, "for truly I haven't missed it
 5. anywhere." When the boxes were opened they were found to
 6. contain two hundred and eighty-seven dollars and forty cents,—
- [considerably]
7. more than enough to pay the two annual premiums. The
 8. anecdote is a homely one, but it serves to point
 9. a moral. It shows the value of small sums, and [cally saved.
 10. their capacity to make a considerable aggregate when systemati-
-
1. ¶ As small sums are more easily and more surely saved
 2. than large ones, so, on the other hand, it is
 3. in small things that we may, with the least effort,
 4. practise economy. Everybody wonders, now and then, where all
 5. money goes, but not one man in a hundred satisfies [his
 6. himself on the subject. Not one man in a hundred
 7. indulges unnecessarily in things which must be paid for in
 8. a lump. When called upon to pay out a sum
 9. of money which is considerable, if measured by the standard
 10. of our ability to pay, we are sure to scrutinize

1. pretty sharply the desirableness of the thing paid for and
2. our ability to do without it. In short, we are
3. not apt to be extravagant in large matters, and in
4. point of fact there is very little room for economy
5. in such things, in most men's affairs. It is the
6. little things that we buy thoughtlessly in which we are
7. extravagant, and it is these things which we may do
8. without, either in whole or in part without serious inconvenience.
9. It is by cutting off expenditure for these that we
10. may save, and the aggregate of the cost of these

[with

1. is always much greater than their purchaser imagines, especially
2. people who live in cities. An intelligent, thrifty mechanic once
3. told me that he had bought and paid for a [in
4. comfortable home, merely by reducing his own personal expenses
5. three particulars. He blacked his own boots, walked to and
6. from his work instead of riding in the street cars,
7. and brought his lunch from home instead of taking it
8. at a restaurant. His saving amounted to about fifty cents
9. a day—a mere trifle—but in ten or twelve
10. years it enabled him to buy a good home without

1. denying himself any real comfort, and without imposing any
2. whatever on his family. He had been able to see [burden
3. no other place of saving, and probably there was no
4. other in his case; but most of us have a
5. variety of expenses which might as well be stopped as
6. continued, and so most of us may do a good
7. deal more than he did by the judicious application of
8. an economic pruning-knife. And there is still another reason why
9. it is easier to save in small things than in
10. matters of more importance. It is much easier to deny

1. ourselves small comforts and small luxuries than large ones.
2. is a magnified desirability in large things which it is [There
3. difficult to resist, but he must be very weak, indeed,
4. who cannot deny himself little comforts and luxuries of temporary
5. importance only, or of no importance at all, for the
6. sake of permanently bettering his financial condition. • There
7. the reach of nearly all a simple and easy way [is within
8. of saving about one-third the cost of all family supplies—
9. namely, by buying everything at wholesale. It is very convenient
10. to give daily orders at the grocer's for such things

1. as are immediately needed, knowing that they will be promptly
2. delivered at one's residence, but the convenience is one for
3. which purchasers must pay a round price. The grocer does
4. not pay rent and keep a horse and a man
5. "merely for the fun of the thing," as I once
6. heard a business man phrase it, and it is a
7. pleasant little fiction that he delivers goods "in any part
8. of the city, free of charge." He does nothing of
9. the sort, for the simple reason that he has no
10. interest in doing it, and cannot afford to do it.

1. He makes no specific charge for delivering goods, it is
2. true, but he charges for it nevertheless, adding the amount
3. to his prices. There is very little profit, we are
4. told, in keeping a retail grocery, and the statement is
5. doubtless true, and yet any one may satisfy himself by
6. experiment that he can buy his groceries at wholesale for
7. at least one-third less than the retailer charges him, provided
8. he buys a stock of several articles at once. Sometimes
9. the saving is considerably greater even than this, but this
10. much is certain in any case, and such a saving

1. makes a very pleasant little account to contemplate in a
 2. savings bank, at semi-annually compounding interest. The sav-
[ing of the
 3. difference between wholesale and retail prices is not the only
 4. advantage gained by any means. One scrutinizes the want he
 5. is providing for, if it must be paid for in
 6. considerable sums, as he does not where its cost is
 7. met by the daily expenditure of small amounts, and when
 8. one buys supplies at wholesale he realizes the necessity of
 9. using them judiciously, as he never can in any other
 10. case. Again, when the supplies are to be bought the
-
1. money must be provided, and to provide it one must
 2. often economize closely in other ways, which is of itself
 3. an advantage. The people who do not buy at wholesale
 4. are very often the people who can least afford to
 5. purchase otherwise. They buy at retail because they never have
 6. money enough in hand to make a wholesale purchase possible,
 7. and if they could be persuaded to change their habit,
 8. the effort to save something for the purpose would teach
 9. them the lesson they most need—namely, *how to economize.*
 10. ¶ You cannot afford, if you have need to save anything,
-
1. to keep an open account with your butcher, your baker,
 2. or anybody else. In the first place, money is always
 3. worth interest, and no tradesman has enough of it to
 4. enable him to let it out for nothing, else he
 5. would not be a tradesman at all. He who buys
 6. his goods on credit, therefore, must, in one way or
 7. another, pay for the indulgence. He has the use of
 8. another man's money and must pay interest on it. And
 9. this he does, whether the item appears in his weekly,
 10. or monthly, or quarterly bill, or not. Interest is charged

1. in every case, even though the tradesman himself be unconscious
2. of the fact, as he very often is. His experience
3. has taught him what percentage he must add to the
4. cost of his goods to make a living profit, and [outstanding]
5. in determining this, experience has duly included interest upon
6. bills. Another reason for avoiding bills is found in the
7. fact that you are well-nigh certain to buy a good
8. deal more when you buy upon credit than when you
9. pay cash. The tradesmen all know this, and it is
10. for precisely this reason that they take the risk incident

1. to time sales. The extra purchases which customers buying upon
2. credit are sure to make, constitute the inducement to that
3. mode of doing business. When you must pay for everything
4. you buy at the time of buying, you scrutinize the
5. wants to be supplied much more sharply than your neighbor
6. who purchases upon credit is apt to do. The amount
7. of cash you have—if you owe nothing—is an
8. exact measure of your ability to purchase; and as the
9. whole science of economy and thrift consists of buying somewhat
10. less than you can afford, it will be seen at

1. a glance that even without the other considerations urged this
2. one fact would be an all-sufficient argument against the practice
3. of “running bills.” You have no right to buy anything
4. you cannot afford. If you have not the money with
5. which to pay for anything, you cannot afford to buy
6. it. The necessity for paying cash for every article bought
7. cannot be too strongly insisted upon. Saving is well-nigh impossi-
8. where this rule is violated. Its enforcement may require a [ble
9. pretty sharp self-denial, but that is the very best possible
10. evidence that its enforcement is needed, and, in the end,

1. the cash buyer is sure to live better than he
2. possibly could under any other rule. I have reference here
3. only to the purchase of articles for consumption. It is
4. no part of my purpose to discuss the system of
5. credit which obtains in the commercial world, and which is
6. governed by laws of its own. ¶ Another objection to the
7. practice of making bills, and the one most frequently urged,
8. lies in the fact that debt paralyzes one, saps his
9. energies, destroys his vitality, and so lessens his power to
10. make money and weakens his purpose to save it. Large

1. debts may be dealt with in ways which are not
2. available in the case of small ones. Commercial failure, if
3. it be accompanied by no dishonesty, does not bring disgrace
4. with it; and debts which cannot be paid may be
5. disposed of by compromise with creditors or by process of
6. bankruptcy, leaving the debtor free to begin again. It is
7. not so with petty bills; failure to pay these promptly
8. brings disgrace. There is a conviction on the part of
9. those who know the facts, and worse than all, a
10. consciousness on the part of the delinquent debtor, that his

1. purchases have been in some sense fraudulent. Small bills are
2. a sort of dry rot upon one's finances, which very
3. few people can withstand. There is no good reason for
4. making them in any case, and they are dangerous always.
5. That men who make them do prosper now and then,
6. in spite of their evil influence, is true enough, and
7. so do men recover from small-pox and yellow fever sometimes,
8. but we do not dread those scourges the less on
9. that account. No man who can afford to have open
10. accounts against him at the grocer's, the butcher's, the drygoods

1. man's, and the baker's, has any occasion to have them,
 2. while those who feel the need of such indulgence are
 3. the very people who cannot afford it at all. When
 4. one reflects upon the costliness of the shams to which
 5. nearly everybody resorts, and sees what sad work they make
 6. now and then, it seems a pity that custom has
 7. not decreed that a statement of every man's exact financial
 8. condition shall be written over his door. No observant person
 9. can doubt that absolutely unnecessary expenditures, which add
[literally nothing]
 10. to comfort, constitute a considerable item in the sum of
-
1. well-nigh everybody's outgo. When you lay aside your last win-
 2. overcoat because, while it is whole and comfortable, it looks [ter's
 3. a trifle shabby, and buy a new one with money
 4. which ought to have gone into the savings bank, you
 5. are shamming, and it is costing you a good deal,
 6. too. The desire to dress as well as your fellows
 7. is worthy enough, but if you really cannot afford to
 8. do so—which is to say that to do so
 9. you must use money which ought to be put away
 10. for other purposes—you are a very foolish and a
-
1. very cowardly person to do it at all. It is
 2. more manly, as well as wiser, to dress less genteelly
 3. than your fellows, to live in a cheaper house than
 4. they, and to practise economies they never dreamed of practising,
 5. than to wrap yourself in lies as you do whenever
 6. you put on clothes which you cannot afford, or in
 7. any other way spend more than your income justifies you
 8. in spending, merely for the sake of conforming to the
 9. customs of those about you. And yet there are very
 10. few people, indeed, who do not, in one way or

1. another, act falsehoods of this kind every day. How many
 2. men are there with moral courage enough to refrain from
 3. all the expenses which they cannot afford? How many are
 4. there who never feel that they pay a higher rent
 5. than they ought; that their tailor's bills are inconveniently large;
 6. that their net surplus, after paying all, is smaller than
 7. it should be? It is true that in the great
 8. majority of cases men do not blame themselves for these
 9. results, because it is much easier and less humiliating to
 10. make their wives and families the scapegoats for their own
-
1. sins of extravagance. It is easier to sigh and say:
 2. "Well, well, a family is an expensive luxury," than honestly
 3. to own that one has been a moral coward and
 4. spent more money than he could afford, because he has
 5. been afraid that somebody might suspect him of being poorer
 6. than he is. A very wealthy gentleman, whose history I
 7. happen to know, began life with absolutely nothing. He left
 8. home a mere boy, owning, as he puts it, one
 9. pair of tow linen trousers, one tow linen shirt, and
 10. one tow linen suspender. His father, a shrewd old Scotchman,
-
1. gave him this piece of parting advice: "Money that you
 2. haven't earned is not yours, and will do you no
 3. good. Remember that, and remember that everybody around
 4. more money than he can afford." The boy was not [you spends
 5. long in learning what this last statement meant, and now
 6. that he is a rich man, with scores of boys
 7. and young men in his service, he often tells them
 8. that the secret of prosperity consists in remembering that nearly
 9. everybody is a spendthrift. ¶ It is especially important that you
 10. shall keep your own personal expenses within proper limits. As

1. a rule, household expenses cannot very well be reduced to
2. any considerable extent, except in the ways already pointed out,
3. simply because they do not greatly exceed the measure of
4. the household needs. The family must be fed, clothed, housed,
5. and warmed, and beyond attention to the proper and economical
6. purchase of the supplies needed for this purpose, it is
7. not often that economy can save much from the aggregate
8. of expenditures in this direction. But the personal expenses of
9. nearly every man greatly exceed the measure of necessity. The
10. waste is in small sums, insignificant in themselves, but amounting

1. in the aggregate to a good deal. A large share
2. of the money thus expended is used in supplying artificial
3. or imaginary wants—wants created by the artificiality of our
4. lives or by the constant sight of articles which, if
5. we did not see, we should never think of wanting.
6. The very fact that the vendors of these things, from
7. the great merchants to the keepers of peanut stands, find
8. it profitable to display their wares to the public gaze
9. at considerable cost to themselves, is proof enough of the
10. unreality of the wants they supply. If further evidence be

1. needed, one has only to keep an account of the
2. things he buys in town which he could not get
3. at all if he lived in the country. ¶ To deny
4. oneself indulgences of this sort is to save in the
5. aggregate a good deal more than any one is apt
6. to think, and there is a value in such self-denial
7. of even greater worth than the money it enables one
8. to save. It cultivates the habit of self-control, than which
9. nothing can be more essential to success of any kind.
10. Indeed, it is the absence of this habit which, more

1. than any other one thing, makes saving impossible to many
 2. people. It is because we do not know how to
 3. control ourselves and to deny ourselves that so many of
 4. us fail, not only to save money, but to accomplish
 5. any other end we set before us. The most eminently
 6. and uniformly successful business man I ever knew makes it
 7. a rule of his life to deny himself something which
 8. he wants, every day. In his youth he acquired the
 9. habit of smoking for the sole purpose of abandoning it,
 10. so that he might always have a craving appetite to
-
1. keep in subjection, confident that the habit of self-control which
 2. this would give him would be of great advantage to
 3. him; and that it has been there can be no
 4. doubt whatever. Its effect can be traced all through his
 5. vast business operations. Temptations to launch out into danger-
 6. bring no danger to a man so constantly in the [ous speculations
 7. habit of subjecting all his wishes and impulses to the
 8. control of reason. The habit gives him, too, a singular
 9. mastery over others as well as himself, and to the [almost
 10. remotest corners of his wide-reaching business, his control extends
-
1. without an effort. It is not in making money alone
 2. that he has succeeded. He has undertaken many other things
 3. in his time, and has never yet known a failure.
 4. His mastery of himself makes him master of others, and
 5. almost equally master of circumstances. It is precisely this habit
 6. of subjecting impulse to judgment-informed will that we call [persistency
 7. in estimating character; and persistency is the condition of all
 8. worthy achievement. Without it, genius itself leads only to [brilliant
 9. failure, and with it mediocrity often wins the reputation which
 10. we are accustomed to think belongs only to genius. In

1. investigating the great problem of gravitation, Sir Isaac Newton
2. a number of the most ingenious and brilliant guesses. If [made
3. he had contented himself with these he would not have
4. solved his problem, but he would have won a world-wide
5. fame as a genius, nevertheless. And if he had been
6. less truly master of himself than he was, there can
7. be no doubt that he would have cherished and defended
8. these brilliant conjectures to the last. As it was, he
9. weighed and tested each, scrutinizing it as closely as if
10. it had been the guess of a rival of whom

1. he was jealous. Regardless of its brilliancy, its ingenuity, its
2. capacity to reflect credit upon himself; regardless, also, of toil
3. and delay; regardless of everything but truth, he examined each
4. of his hypotheses and rejected each in its turn, until
5. by the method of exclusion he sifted error out, and
6. left only the grain of truth with which the world
7. has linked his name. It was by self-control and persistency
8. of character that he finally reached the end he sought,
9. and this homely habit contributed a good deal more than
10. his genius did to the building of his enduring fame.

1. And it is precisely the same in all other walks
2. of life. Massena and Macdonald were not altogether the most
3. gifted soldiers Napoleon had with him in the field, and
4. yet they succeeded in accomplishing things which none of their
5. fellow-marshals could have achieved. At Essling, where Napo-
[leon was beaten,
6. the successful withdrawal of his army depended upon the power
7. of Massena to hold his position for a considerable time.
8. The task was so difficult of accomplishment that even the
9. imperious will of Napoleon shrank from demanding it of his
10. marshal. Instead of an order, therefore, he sent a request

1. that Marshal Massena should hold his position for two hours.
 2. The indomitable Marshal had been battling ceaselessly for more [than
 3. forty hours already, was exhausted, sick, half dead, and could
 4. barely sit erect and look with bloodshot eyes at the
 5. messenger as he delivered the request of Napoleon. But Massena
 6. was absolute master of Massena, and his reply was: "Tell
 7. the Emperor I will hold out two hours—six—twenty-four—
 8. as long as may be necessary for the safety of
 9. the army." And he did what he promised. He must
 10. be a poor reader of biography who has failed to
-
1. discover that the universal key to success is mastery of
 2. self. It was this which enabled Washington, with a handful
 3. of well-nigh mutinous men in an impoverished country, to hold
 4. out for seven long years against well-disciplined, well-equipped, [well-fed and
 5. well-armed foes, and ultimately to convert failure into success. It
 6. was this which made Pitt the most renowned statesman of
 7. his time or of any time. It was this which [took,
 8. made Franklin a phenomenon of success in everything he under-
 9. from money-making in a little shop to diplomacy and statesman-
 10. It was this which enabled the Astors, Stewarts, Girards and [ship.
-
1. Coopers of the country to build colossal fortunes from nothing;
 2. and it is this which must underlie every genuine success,
 3. large or small, achieved in any walk of life. If
 4. you feel that you are not master of yourself, that [tipathies
 5. your impulses, your hopes, your fears, your longings, your an-
 6. are not under the dominion of your judgment and your
 7. will, be sure that there are holes in your armor,
 8. and that you are in no fit condition to engage
 9. in the battle of life. Man is so wholly the
 10. creature of habit that he may make himself, to a

1. great extent, what it pleases him to be. To acquire
 2. the habit of doing a thing, you have only to
 3. do it constantly and persistently. To form the habit of [every
 4. self-control, you must control yourself. Cross your impulses at
 5. opportunity. Deny yourself coveted indulgences. Spur yourself
[to continued exertion
 6. when you weary of a task, and, if your case
 7. be a bad one, persist in undertaking and accomplishing distasteful
 8. things. And it is a mistake to suppose that a
 9. habit of this sort brings unhappiness with it. On the
 10. contrary, it is the key to happiness as to everything
-
1. else. - There is no real, or at least no permanent [ness;
 2. pleasure in momentary indulgences; there is no pleasure in weak-
 3. there is none, certainly, in failure. It is conscious strength
 4. which is genuinely happy, and well-earned success brings a joy
 5. with it which nothing else can produce. No man is
 6. so truly free as he who knows himself his own
 7. only master.

CHAPTER VI.

LIFE INSURANCE.

1. Without question it is the duty of well-nigh everybody to
2. provide by life insurance methods against contingencies; but it is
3. equally unquestionable that the advice of agents and other inter-
4. persons is not always to be taken at its assumed [ested
5. value. It would seem that everybody ought by this time
6. to know certainly what the thing is about which there
7. has been so much said and written, but there is,
8. after all, reason to doubt whether most people really do
9. understand it. To many it seems a marvellously productive system
10. of investment, while there are incredulous others who are half

1. inclined to reject it altogether as a preposterous device for
 2. the creation of something out of nothing, or for the
 3. delusion of unsuspecting persons. In fact it is none of
 4. these things. The life insurance company literally gives no more
 5. than it receives. It creates no wealth, and undertakes to
 6. create none. It promises nothing more than it can accomplish
 7. by plain business methods. Moreover, life insurance is not an
 8. especially profitable investment, reckoning the returns it makes
- [for the
9. money it receives. The premiums paid, on an average, would
 10. make more than the faces of the policies they represent

1. if kept at interest during the lifetime of the persons
2. insured. In other words, if one could be sure of
3. life during the period known as his "expectation," which is
4. simply the average period during which people of his age
5. live, his annual premiums placed at interest and the interest
6. annually re-invested, would yield more than the amount which the
7. life insurance company undertakes to return at his death. ¶ But
8. no man can know how long he is to live,
9. and if he should die before the average time, the
10. sum he set out to accumulate in this way would

1. not be forthcoming. He must take the risk of his
2. own death, which may come at any time, and if
3. his property is insufficient for the support of his family,
4. he cannot afford to take such a risk. He wishes,
5. for instance, to leave his family five thousand dollars at
6. his death. He may put away at interest every year
7. the amount of the premium charged on a life policy,
8. reinvest all its interest, and if he lives as long
9. as men of his age do on an average, the
10. fund will exceed the desired amount. But there is a

1. chance that he may not live so long, and in
2. that event he must fail in his effort and leave
3. those dependent upon him without the provision he had purposed
4. making for them. Now it is against this chance, and
5. this only, that ordinary life insurance is intended to provide.
6. While it is impossible to say how long any one
7. man will live, we know certainly what the average life
8. of a thousand men of any given age will be,
9. and the life insurance companies take advantage of this certain
10. knowledge and by clubbing together the sums each must put

1. away annually in order that at the end of this
2. average time each may have the desired sum, it may
3. with perfect safety guarantee the amount to each. It bases
4. all its calculations upon this. It is assumed in the
5. first place, that the average life of those insured will
6. not exceed the average of the whole community, although every
7. precaution is taken to exclude from the company all sickly,
8. unsound people, who greatly diminish the community's average;
9. assumed also that the money placed in the company's hands [it is
10. will earn no more than four and a half per

1. cent, while in fact it earns half as much more;
2. it is assumed that all the policies issued will mature
3. and become a charge on the company, while, in truth,
4. a very large number of them are abandoned altogether after
5. one or more premiums have been paid upon them; and
6. lastly, every premium is made greater than it need be
7. to produce the sum expected of it. Agents soliciting business
8. sometimes assert, and even endeavor to prove, that life insurance,
9. considered solely as an investment, is better than any other;
10. but this is not true, as any one may discover

1. by a very simple arithmetical calculation, and it is altogether
2. to the credit of the system that it does not
3. offer special inducements in this way. Its mission is of
4. another sort, and to fulfil that properly it must keep
5. all the margins of safety on the side of the
6. company. To make life insurance profitable as an investment, we
7. must make it untrustworthy as insurance. Life insurance has a
8. distinct value in the compulsion it puts one under to
9. save. When a policy has once been written and a
10. premium or two paid upon it, one is very strongly

1. impressed with the necessity of continuing the payments, even at
2. cost of considerable self-denial, and in this way persons who
3. find it difficult to save anything may create an incentive
4. to economy which they greatly need. It is clear enough,
5. however, in any case, that no man who has others
6. dependent upon his exertions has a right to neglect the
7. opportunity which life insurance affords of providing for his
8. in the event of his death, and so making actual [family
9. and certain a considerable share, at least, of the results
10. which he has reason to hope for from the work

1. of his lifetime. ¶ But there are right ways and wrong
2. ways of attending to this duty, and so far as [followed
3. my observation extends, the wrong ways are more frequently
4. than the right ones, chiefly because life insurance solicitors find
5. it profitable to themselves to urge the wrong sort of
6. policies upon their clients. A careful examination of statistics has
7. taught actuaries not only what the average life of men
8. of any given age is and must be, but also
9. precisely what is one man's chance of death during each
10. year. If, for example, it is found that of a

1. thousand men of a given age five die within the
2. year, then the chances of death, in any individual case,
3. are as five to one thousand, or one in two
4. hundred. Now, in such a case the actual net premium
5. required to insure the lives of these people for one
6. year would be five dollars for every thousand dollars of
7. insurance. This, of course, is a statement of the problem
8. in its simplest elements, leaving out of the account the
9. interest which the premium will earn, as well as the
10. expenses incurred in carrying on the business, the amount usually

1. added for the sake of perfect safety, etc. I use
2. it in this form simply for the sake of convenience
3. in illustrating the point, which is that the actuary may
4. determine, with absolute certainty and accuracy, how much
5. one of a thousand or of ten thousand men of [money each
6. any given age, must pay into a common fund to
7. insure the life of each for one year, and the
8. sum thus ascertained is the first year's premium. But the
9. chances of death increase with every year of age, and
10. hence the premium must increase in precisely the same proportion,

1. and, to guard against this, a calculation of the average
2. premium during the life expectancy is made, and this average
3. premium, greater than the actual one of the early years,
4. and less than that of the later years, is fixed
5. upon as the amount to be paid every year, from
6. first to last, in lieu of a series of steadily
7. increasing and at last very burdensome annual payments. In this
8. way the matter is greatly simplified in practice, and the
9. difficulty of carrying insurance lessened, while by collecting more
10. is necessary during the early years, the company secures to [than

1. itself a considerable margin of profit on those policies which
2. shall be allowed to lapse before maturity. The simplest form
3. of policy in common use is one in which these
4. average premiums are continued throughout the life of the person
5. insured, and the amount for which he is insured is
6. to become due at his death. This is life insurance
7. pure and simple, and as the premiums in this case
8. are spread over the greatest possible length of time, a
9. policy of this kind demands smaller annual payments than any
10. other possibly can. In determining the average the whole period

1. of expectancy has been adopted as the basis. Next come
2. policies payable at death, the premiums on which are continued
3. not during the whole life of the person insured, but
4. during a specific number of years,—five, ten or twenty,
5. usually—if he live so long. The premiums in this
6. case are ascertained by a calculation of chances precisely like
7. that already explained; but in this case as the premium
8. payments are to be continued during a smaller number of
9. years they must of course be proportionally larger while they
10. do continue. These are the only kinds of pure life

1. insurance policies in common use, the only ones in which
2. insurance alone is sought and secured. But of late years
3. various other things have been combined with life insurance, so
4. that in practice a very large share of the business
5. done under the name of insurance is, in reality, insurance
6. plus something else,—and the something else must be paid
7. for in every case. This is done principally by what
8. are called endowment policies; namely, policies on which the
9. are to be paid annually, either during a term of [premiums
10. years or until the maturity of the policy; and the

1. amount of the insurance is to be paid to the
2. insured when he shall attain a specified age, or to
3. those in whose behalf the policy is issued, at his
4. death, if he shall happen to die before reaching that
5. age. An example will make this plainer, perhaps, than any
6. general statement can. Let us take, by way of illustration,
7. a ten annual payment endowment policy for ten thousand dollars,
8. payable at death or at the age of fifty years.
9. The amount of the annual premium will depend upon the
10. age of the applicant, but whatever it may be, he

1. agrees to pay that premium annually during ten years. If
2. he die at any time before reaching the age of
3. fifty, the ten thousand dollars becomes due at once, and
4. must be paid to the person named in the policy
5. as the beneficiary. At the age of fifty, if he
6. live to attain it, the amount must be paid to
7. the person himself on whose life the policy was taken.
8. There are other forms of endowment policies in use, but
9. in principle they are all identical. Their value is manifest
10. and unquestioned, and while there are cases enough in which

1. it is best to secure, in this way, the endowment
2. of one's later years, I am satisfied that in the
3. great majority of instances policies of this kind are not
4. to be recommended, particularly to young men. ¶ It is your
5. first duty to secure insurance for an amount sufficient to
6. make the comfort of your family and the education of
7. your children as certain as human affairs can be. Now,
8. if your ability to pay premiums be limited, as it
9. is in most cases, there are several reasons why you
10. cannot afford to take an endowment policy. The first and

1. principal difficulty is that by taking this kind of policy
2. you may be compelled, on account of the high premium
3. rates involved, to insure for a less amount than your
4. duty to your family requires, and where this is the [wronging
5. case, you cannot take an endowment policy without manifestly
6. those for whose benefit you are insuring, and deliberately defeating
7. the very purpose which life insurance is designed to serve.
8. Even when this is not the case, it may be
9. bad policy to do so. The payment of heavy premiums
10. may very seriously embarrass your business operations, or it may

1. so far reduce your income as to compel a system
2. of economy hurtful to your children in moral, mental or
3. physical respects. In short, you may be abundantly able to
4. purchase life insurance, and yet not able, with justice to
5. those dependent upon you, to buy with it an endowment
6. for yourself. If you are a man of ordinary energy
7. and capacity, you will not need the endowment when it
8. shall fall due half as badly as you now need
9. the money you must now pay for it. In this
10. country the presumption is a strong one that a man

1. of intelligence, sobriety and industry, will find himself in toler-
2. comfortable circumstances at the age of fifty or sixty, and [ably
3. while even then an additional sum of five or ten
4. thousand dollars is very desirable, it is rarely ever worth
5. what such a sum secured by endowment policy has cost.
6. But the strongest reason of all for refusing to buy
7. endowment with one's life insurance is that the money paid
8. for it can be so invested that it will produce
9. more than it does in this way. The chance of [does not
10. premature death which justifies investments in life insurance

1. in any way affect the present question, because in the
2. event of death you get no endowment at all, but
3. only insurance. By mingling insurance with endowment the
[companies manage
4. to hide the fact that the purchaser of an endowment
5. pays more for it than he would if he should
6. create it himself, by putting its price out at compound
7. interest. I do not wholly condemn the endowment system, by
8. any means. There are many persons whose circumstances, tem-
[perament, etc.,
9. make it advisable that they shall purchase endowments, even at
10. the price which the companies are compelled to charge for

1. them. But as a general rule, it is much safer
2. and better every way to secure pure and simple life
3. insurance. ¶ We have remaining two kinds of ordinary life poli-
4. to choose between. These are: first, a policy payable at [cies
5. death, with premiums payable annually during life; and, second, a
6. policy payable at death, with premiums payable annually during a
7. term of years. The difference between these is one of
8. premiums only. The limited payment policy,—*i.e.*, a policy
9. on which payments are to cease after a term of
10. years,—has the advantage of offering a certain limit to

1. the payment of premiums. We know at the outset the
2. aggregate of its possible cost. Every year brings its holder
3. nearer to the time when he shall have a paid
4. up policy, and lessens the chance of ultimate failure through
5. inability to pay. It must be remembered that the premiums
6. in this kind of insurance are considerably greater than those
7. on an all-life policy, and the additional cost is apt
8. to tempt the applicant to content himself with a smaller
9. amount of insurance than he actually needs. This is the
10. objection to limited payment policies which applies in a larger

1. number of cases than any other. Again, the applicants for
2. insurance are for the most part young men, and it
3. is generally unwise for such to withdraw from their business,
4. for insurance purposes, more money than they must, to secure
5. their object. It will prove more profitable to most of
6. them to keep their money in active business. There is
7. a greater chance of failure, too, with the limited payment
8. policy than with any other. As a matter of course,
9. it is always easier to pay a small than a
10. large sum, and the smaller one's annual premium is the

1. surer he may be of his continued ability to meet
2. the payments as they shall fall due. Security being the
3. one essential in this matter, everything which adds to it,
4. everything which diminishes the chances of failure, is well worth
5. considering. Lastly, in our country, at least, one's early years
6. are usually one's years of struggle. You have every reason
7. to hope that ten or twenty years hence you will
8. be much better able to pay your insurance premiums than
9. you are now, and this being the case, it seems
10. in the last degree foolish to lay an unnecessary burden

1. upon your years of struggling for the sake of avoiding
2. in later life a charge which is likely then to
3. be easily borne. To see the force of this, you
4. have only to look at the history of your acquaintances
5. during the ten or twenty years following their marriage Hardly
6. one of them, you will find, was as well off
7. at marriage as now, and while most of them, ten
8. or twenty years ago, would have sorely felt an additional
9. expense of a hundred dollars every year, most of them
10. are abundantly able now to meet such a payment without

1. inconvenience. The holder of an all-life policy may at will
2. change it for one of the limited payment kind, if
3. at any time he shall find it desirable to do
4. so, and hence in choosing the less burdensome one he
5. does not necessarily bind himself to continue payments during the
6. whole term of his natural life. He reserves to himself,
7. in fact, all the rights which he would have in
8. the other case. If it be one's duty to insure
9. at all, it is his duty to insure for an
10. amount sufficient to provide for the comfort and welfare of

1. his family after his death, if he possibly can; and
2. if that be impossible, he is clearly bound to secure
3. as much insurance as he can "carry." Beyond this there
4. is grave reason to question the value of life insurance,
5. and it is the opinion of many shrewd observers that
6. too much insurance is nearly as common as too little.
7. Every agent will name his own first, of course, admitting,
8. perhaps, that there are a few others nearly as good. [panies there
9. The fact is that between the well-established, conservative com-
10. is little choice. They all base their calculations upon the

1. same mortality tables and the same low rates of interest.
2. They all charge practically the same premium rates, and they
3. are all perfectly safe. But there are unsafe companies too.
4. These are the ones which offer "special inducements," or under-
[take
5. to unite politics or denominational theology or partisanship of some
6. other sort with business, appealing to prejudice for patronage.
7. of every man and every company which offers to do [Beware
8. the business of life insurance on any but the strictest
9. and most conservative business principles. Men who ask credit or
10. patronage on the strength of their theological opinions or their

1. political leanings, and men who offer to take risks of
2. any sort for a smaller compensation than the nature of
3. the risk justifies, are to be shunned in any business;
4. and especially dangerous are such people in a matter like
5. life insurance, in which perfect security is the one thing
6. needful. Dividends and other inducements of that kind are of
7. small account at best, and are for the most part
8. illusory. Every sound company does business at fair, safe rates;
9. the cost is almost exactly the same in all of
10. them; and whatever agents may urge as regards low rates,
 1. participation in profits, etc., the fact is well established that
 2. it costs just as much to insure in one good
 3. company as in another. The important point is to beware
 4. of companies that are not good; and inasmuch as the
 5. basis of calculation is precisely the same in all companies,
 6. those that offer "special inducements" of one kind or another
 7. are doubtful ones.

CHAPTER VII.

WHAT TO DO WITH SAVINGS.

1. In the first place, one should never allow any part
2. of his money or property to lie idle. The capacity
3. of money to work and to earn wages is well
4. enough known, doubtless, but it certainly is not as generally
5. recognized and acted upon as it should be, particularly in
6. the matter of small sums. The interest on a few
7. dollars is apt to seem too small a thing to
8. deserve attention, but the fallacy of this becomes evident if
9. we reflect that at simple interest of six per cent
10. money doubles itself while one's children are growing to manhood,

1. and if the interest be promptly reinvested, or added to
2. principal twice a year, as is done in the savings
3. banks, it will multiply itself by three within the nonage
4. of one's children. Now the smaller your savings are, the
5. greater is your need of the earnings they are capable
6. of making, and even if you have some other investment
7. in view,—some investment to be made as soon as
8. a sufficient sum for the purpose shall be accumulated,—it
9. is unwise to allow your weekly savings to lie idle [interest
10. meanwhile. However brief the time, and however small the

1. may be, your money should be made to work while
2. it waits. For this purpose, and particularly in the case
3. of small savings, the savings banks offer altogether the best
4. and most convenient facilities. One can deposit very small sums
5. there at any time, and so long as they remain
6. they earn semi-annual, compound interest, which is to say that
7. they double themselves in about twelve years, with a proportionate
8. earning for shorter periods. Here, certainly, is a matter de-
9. attention, and it would seem incredible if we did not [serving
10. know it to be a fact that men who can

1. never afford to be idle for a single day, allow
2. their money to do nothing when it might be earning
3. something all the time. ¶ A second point in determining what
4. one's investments shall be is safety. So far as your
5. small weekly or monthly savings are concerned, the only way
6. in which they can commonly be made to earn anything
7. is by deposit in a savings bank, and these institutions, [posit
8. particularly the older ones, afford every guaranty of safety. De-
9. them promptly in every case. But with larger amounts a [come
10. variety of investments becomes possible, and with this possibility

1. temptation and danger. The owner of a few hundreds or
 2. a few thousands of dollars is pretty sure to have
 3. pressed upon him various plans by which his cash can
 4. be made to pay much larger returns than the six
 5. or seven per cent of ordinary loans. There are state,
 6. county, school, township and railroad bonds to be had in
 7. every broker's shop, which pay or promise to pay, directly
 8. or indirectly, ten, twelve, or fifteen per cent, and when
 9. one feels the necessity of making his money work, he
 10. is very apt also to desire that it shall earn
-
1. good wages, and the temptation to invest it in securities
 2. of the sort described is greatly increased by the plausible
 3. showing which the vendors of the securities are always prepared
 4. to make for them. Now it is undeniable that in
 5. some cases money has been made by the purchase of
 6. these bonds below their par value, but it is nevertheless
 7. true that such purchases are never safe and never can
 8. be. A county or corporation so badly off for money
 9. that it must borrow it at eight or ten per
 10. cent interest, affords no very great security for ultimate payment.
-
1. And when its credit is so bad that in addition
 2. to promising high rates of interest it must sell its
 3. bonds for less than their face, the insecurity of the
 4. investment ought to be apparent upon its face. It should
 5. be remembered that there is always a vast amount of
 6. money in New York earnestly seeking investment. It belongs to
 7. people skilled in discovering the real value of securities, and
 8. its owners are abundantly able to take some risk. Under
 9. these circumstances it is not likely that any really well-secured
 10. bonds, bearing seven, eight or ten per cent interest, will

1. ever lack purchasers at or above par, and when high
 2. interest bonds are hawked upon the street at less than
 3. their face, we may be very sure that they are
 4. not safe, whatever an interested broker may choose to say
 5. in their favor. It is a universal truth that high
 6. interest means poor security. It is with corporate bodies as
 7. with individuals. Those who are able to owe and to
 8. pay their debts have no occasion to raise money by
 9. paying more than it is worth. They may have need
 10. to borrow, but they can always borrow at the market
-
1. rate. From the time that credit first entered into commercial
 2. transactions until now, men have been busily endeavoring to
[create]
 3. wealth out of nothing, and now and then theorists imagine
 4. that they have discovered how to accomplish it. It is
 5. so easy to delude not one's neighbors only, but oneself
 6. as well, with sophistical financial reasoning that danger is present
 7. wherever credit enters into business transactions, however honest
[and well-meaning]
 8. the authors of the mischief may be. Paper money is
 9. in itself so easy a thing to create that its
 10. use often engenders the idea that wealth itself may be
-
1. ground out of a paper-mill. Gold certainly does not constitute
 2. real wealth: it is not food, clothing, or the means
 3. of shelter, all of which are so many items of
 4. real wealth; but it possesses a greater intrinsic value than
 5. paper, and therefore is not so completely at the mercy
 6. of public opinion. Apart altogether from its fictitious value as
 7. a coin, gold is a useful and precious metal for
 8. which there is a demand in the arts; and the
 9. cost of obtaining it from the bowels of the earth
 10. and refining it, being very great, every little piece of

1. gold is, as it were, a condensation of a quantity
2. of real wealth; paper, on the other hand, is a
3. valuable commodity likewise; but the cost of its production being
4. less, it really has less intrinsic value, and is more
5. dependent upon public opinion. Paper can be procured as abun-
6. as we choose; but there is a limit to the [dantly]
7. production of gold. Gold and silver are dear substances in
8. themselves; paper is a very cheap substance. The value of
9. a metallic currency, therefore, is not so liable to fluctuation
10. as one entirely of paper. The American people know, certainly,

1. that the law cannot make money; that values cannot be
2. created by acts of Congress; that paper is worth precisely
3. what it genuinely represents and no more. In this knowledge
4. we have a safeguard against all direct attempts, upon a
5. large scale, at least, to create wealth by the issue
6. of promises to pay. But we are, nevertheless, beset by
7. the dangers incident to false theories of finance. It is
8. as true of communities as of individuals, that the limit
9. of earning is the limit of safe expenditure, and the
10. danger lies in the fact that, for a time, excessive

1. expenditure, in the case of communities, may be concealed by
2. the various devices of commercial credit. Every business man
[knows]
3. how individuals sometimes attempt to accomplish the same end by
4. the process known in the commercial world as "kite flying,"
5. and yet, when great corporations fly kites, even business men
6. are sometimes deceived into the belief that there is ultimate
7. security somewhere back of the double or triple or quadruple
8. system of hypothecation. The panic of '73 induced a salutary
9. caution, and it is not so easy just now as
10. it was a few years ago to sell the "seven-thirty"

1. gold bonds" of unbuilt or partially built railroads which, when
2. finished, are to run, as a Congressman once put it,
3. "through thousands of miles of trackless wilderness, where
4. heard save the scream of the savage and the howl [naught is
5. of the wild beast." But there are bubble bonds still
6. in the market. There are still temptations enough for small
7. and large investors, and hence the owner of small or
8. moderate sums of money cannot exercise too much caution in
9. choosing investments. Let him remember that the principle is the
10. same in all cases, however details may differ; that money

1. is worth no more than the market rate; that borrowers
2. who pay more, either directly as interest, or indirectly by
3. selling their bonds for less than their face, do so
4. because they are not safe borrowers; that really sound and
5. safe securities do not go begging for purchasers; that high
6. interest is paid only as a compensation for poor security.
7. Bankers call a certain class of investments "women's securi-
ties," for
8. the reason that cautious bankers always advise their purchase by
9. people having the money of widows or single women to [safety
10. invest. They are eminently safe securities, and their absolute
1. is, in such cases, a full compensation for the smallness
2. of the interest they bear. Now, for people who have
3. saved a little money by close economy, there can be
4. no better course than to put it into "women's securities,"—
5. namely, government bonds and the stocks of some well-managed,
[steady-going
6. corporations. These are always worth their cost; they pay a
7. small interest punctually and surely; and they are perfectly safe.
8. There is not the smallest chance of speculation in the
9. purchase of such securities, but there is perfect safety, which
10. to people not stock-jobbers, is greatly better. ¶ The third point

1. to be considered in determining how savings shall be invested
2. is the question of convertibility. Shall we put our money
3. where we can readily reconvert it into money or where [answer
4. such reconversion will require time and involve trouble? The
5. to this will depend upon the circumstances and character of
6. the investor. If you know yourself to be weak of [you
7. purpose and likely to spend money unnecessarily upon impulse,
8. owe it to yourself to place as many obstacles as
9. possible in your own way in this matter; to fortify
10. your purpose by every means in your power; and it

1. will be much better, in such a case, to put
2. your savings where you cannot readily get at them for
3. the purpose of spending them. Invest them in land, or
4. in some other way put them out of easy reach,
5. so that no temporary pressure of circumstances may induce you
6. to spend the money you have laid away. Except in
7. cases of this kind, however, there are many advantages in
8. keeping one's money within easy control, and, other things being
9. equal, those investments are best which leave the investor free
10. at any time to recall his money into his own

1. hands. But it is not every one who can safely
2. trust himself with this power over money of which he
3. is likely to feel the need constantly. It is not
4. every one whose self-mastery is sufficient to guard to-day's savings
5. against to-morrow's desire to spend; and so, the savings banks
6. would fulfil their mission much better, if they would uniformly
7. enforce their rule against the withdrawal of deposits on demand.
8. People who need the encouragement offered by these institutions
9. induce them to save money, are apt to need all [to
10. possible inducements to keep their savings. ¶ There is a good

1. deal of nonsense talked every day on the subject of
2. owning one's home. A good deal of not very wholesome
3. sentiment concerning it finds its way into the columns of
4. the weekly newspapers, and it is especially important to guard
5. against sentimental illusions in deciding a question of such vital
6. importance. And at first glance it would seem evident enough
7. that any one able to pay cash for a home
8. and own it free of debt, can afford to live
9. in his house and ought to do so; but this
10. is not necessarily the case, and there are many instances

1. in which even absolute and debt-free ownership has wrought dis-
2. in men's affairs. In the first place, the owner of [aster
3. a home must take upon himself some portion of the
4. risk incident to ownership. His house may be destroyed by
5. fire, and while insurance protects him in some measure, it
6. affords only an incomplete protection. The destruction of his home
7. must entail considerable loss upon him, and only those who
8. can afford to take the risk of such loss can
9. afford to own their residence. A more important consideration is
10. the withdrawal of money from one's business for the purpose

1. of buying a house. The ownership of a home seriously
2. embarrasses many a business man, and oftentimes makes utterly [profitless
3. a business which else might have brought permanent prosperity to
4. its head. You cannot afford to buy a home with
5. money which you need in your business. It is in
6. the last degree dangerous to attempt it. Still more dangerous
7. is the common practice of buying houses on credit and
8. paying for them in instalments. That this is the easiest
9. way of purchasing there can be no doubt, and in
10. many cases the making of such a purchase is the

1. very wisest thing that can be done, inasmuch as the
2. necessity of meeting payments acts as a stimulus to exertion
3. and economy, strengthening a weak resolution to save, checking a
4. tendency to spend, which otherwise might be irresistible. In such
5. cases no consideration of prudence should be allowed to stand
6. in the way of the purchaser. The man who cannot
7. control his disposition to spend his money as fast as
8. he makes it, takes no real risk in buying a
9. house on these terms. If he fails in the end
10. and loses what he has paid, he is no worse

1. off than if he had refrained from buying and had
2. spent his money in other ways; while if he succeeds
3. in paying for the house he will have bought it
4. practically for nothing. But such a purchase is attended with
5. some dangers. The death of the producing member of the
6. family before the final payments are made, or any other
7. occurrence which stops the income in whole or in considerable
8. part, may cause the loss of all that has been
9. paid, just when such loss is most insupportable. This danger
10. may be guarded against, so far, at least as the

1. death of the producing member is concerned, by the taking
2. out of an extra policy of life insurance for an
3. amount equal to the unpaid purchase money. In that case,
4. the failure of anticipated production by the death of the
5. producer is offset by the maturing of a life insurance
6. policy. In other words, the risk of losing the payments
7. made in consequence of the death of the head of
8. the family, may be transferred from the family to a
9. life insurance company, and prudence dictates that it should be
10. so transferred in every case. ¶ The advantages of owning one's

1. house are so apparent as hardly to need stating at
2. all. One who lives in his own house is independent
3. of landlords and free from the necessity of providing at
4. stated periods for the payment of rent. He is exempt [from
5. from the necessity of frequently removing at considerable cost
6. one house to another. He has every incentive to improve
7. and beautify and ornament his home, knowing that he is
8. adding beauty and value to his own and not to
9. another's property. The moral effect upon himself and his family
10. is a fact so well recognized in business circles that

1. the ownership of a home positively strengthens one's credit and
2. improves his commercial standing. ¶ In addition to all this it
3. should be borne in mind that if judgment be used
4. in the purchase the homestead will certainly grow in value
5. so that in the end the investment will prove a [should be
6. positively profitable one. This possibility of increasing value
7. considered when the purchase is made. The house should be
8. so chosen as to make its growth in value as
9. certain as possible. It is well to remember that in
10. ordinary cases there is a limit to the rise of

1. property-prices in the middle of a prosperous town. When a
2. certain point is reached people neglect the high priced lots
3. in town for the cheaper ones in the outskirts, and
4. so there is very much better prospect of improvement of
5. prices in the suburbs than in the town itself, particularly
6. if the suburbs happen to afford good villa sites. Merchants,
7. manufacturers, lawyers, and other people in thriving towns grow
8. after awhile, and as soon as they do that [rich
9. they are sure to set up new residences in the
10. outskirts. This at once stimulates the prices of land there,

1. and even if you do not need or care to
2. sell, you are richer by just so much as your
3. property has increased in market value on account of this [the]
4. improvement in the character of the neighborhood. ¶ If possible,
5. home once bought should be kept; but the profit incident
6. to the advance in price may be secured and turned
7. into actual money while the house remains untouched. In buying
8. you have only to buy more land than you want,
9. and where land is cheap, as it usually is in
10. some part of a town's outskirts, this may be done

1. easily enough. Your house should be so placed that the
2. land may be divided at any time, and after you
3. have enjoyed the use of more ground room than you
4. need, for ten or a dozen years, a time is
5. almost sure to come when you may sell off the
6. unnecessary part at a handsome profit. In the vicinity of
7. New York, where the overflow from the city has covered
8. every available spot for scores of miles in all directions,
9. many men have secured homes at little cost or no
10. cost at all by the exercise of good judgment in

1. this way. ¶ B—— was a merchant's clerk, whose income was
2. not greatly in excess of his absolutely necessary expenses. He
3. bought two acres of ground in one of the New
4. Jersey towns near the city, agreeing to pay eight hundred
5. dollars for it, in monthly instalments of twenty dollars each,
6. with interest at seven per cent. A building lot was
7. all he wanted, but he knew he never could pay
8. for his house out of his earnings, and it was
9. his plan to make a house by his investment. By
10. close economy he succeeded in paying for the land in

1. two years, having anticipated payments whenever he could. He
2. a little later to dig his cellar and build his [managed
3. foundation wall. Meanwhile, his land had enhanced in value, and
4. was worth two thousand dollars. He was unwilling to sell
5. any part of it yet, however, but he had no [money
6. difficulty in borrowing four thousand dollars upon mortgage, the
7. to be given him as he should need it in
8. the building of his house. The land alone was worth
9. about two thousand dollars, and with a house worth four
10. thousand dollars on it, it was, of course, good security

1. for more than the loan. He built his house thus [penses
2. with borrowed money, and moved in, thereby lessening his ex-
3. somewhat by saving rent and cultivating his own garden. Three
4. years later, while his mortgage had still two years to
5. run, he sold all the land except the lot upon
6. which his house stood for five thousand four hundred dollars,
7. paid his debt, and found himself the owner of a
8. comfortable sum of money, besides a house and lot worth
9. five or six thousand dollars. For this he had actually
10. paid only about a thousand dollars, saved out of his

1. earnings. He had thus accomplished by a bit of good
2. management what he never could have accomplished by direct
3. Scores of similar cases have occurred around the metropolis, and
4. something like this may be done in the neighborhood of
5. almost any growing, prosperous city. If the additional land
6. be made to pay for the house, it may at [cannot
7. least be made to help, and in any case, it
8. is well worth while to bear in mind this possibility
9. in buying. If you build your house, build it upon
10. as large a lot as you conveniently can, and so

1. place it that you will be free to sell some
2. part of it if you shall ever have occasion to
3. do so. If you buy a house already built, buy
4. a lot or two next to it, if it be
5. in any way practicable to do so. If you never
6. have occasion to sell, it will not embarrass or trouble
7. you in any way to have the extra ground. Build
8. or buy where the growth of your town is likeliest
9. to benefit your property, and if you never have occasion
10. to sell you will at least be richer by reason

1. of the greater market value of your homestead. Thus it
2. is left for us to decide, each for himself, first,
3. what is the real end of the living which we
4. would make; and next, how we may accomplish it in
5. greatest measure and at the least cost. One fact stands
6. out clearly—that the thing of most worth is the
7. individual man or woman, and that the wealth of personal
8. character must be acquired by the possessor. Money, material
9. may be handed down from father to son; but character, [wealth,
10. to be really owned must be earned. There is no

1. need, however, that one should take the vow of poverty
2. in order to be a virtuous man and a good
3. citizen. It is possible even to acquire competence and yet
4. retain all the qualities that inhere in the true man.
5. Even the effort put forth to earn a living is
6. in itself a power for good; for industry and abstinence
7. are not merely the means to an end; but they
8. are both qualities that, entering into the man, make his
9. life nobler and his virtues more enduring.

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